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FURTHER CORRESPONDENCE

RESPECTING

TURKEY

PART XXXIX

JANUARY TO JUNE 1940

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Further Correspondence respecting Turkey.

PART XXXIX.—JANUARY–JUNE, 1940.

[R 12194/2327/44] No. 1.

Viscount Halifax to Sir H. Knatchbull-Hugessen (Angora).

(No. 9.)
(Telegraphic.) *Foreign Office, January* 2, 1940.

MY telegram No. 715 [of the 30th December: Earthquake in Turkey].

Since it is now clear that the disaster is a good deal worse than was originally thought, and the situation has been made still worse by the floods near Smyrna, it seems possible that opinion in Turkey may consider that His Majesty's Government's contribution of £25,000 is ungenerous. Do you think that this is so, and do you think it very desirable that His Majesty's Government should give a further contribution? If so, I shall be glad of your views about what form it should take. It occurs to me that it would probably be more useful to send, at any rate, some of it in the form of materials than money. If so, what materials?

Do the Turkish Government wish to avail themselves of the Admiralty's offer to send a hospital ship (my telegram No. 714)?

[R 189/17/44] No. 2.

Viscount Halifax to Sir H. Knatchbull-Hugessen (Angora).

(No. 15.)
(Telegraphic.) R. *Foreign Office, January* 3, 1940.

MY telegram No. 9 [of 2nd January: Earthquake in Turkey].

In view of the size of the disaster, His Majesty's Government and French Government wish to give a larger measure of help to Turkey than the £25,000 already announced.

2. Please inform Turkish Government, in concert with your French colleague, who is receiving similar instructions, and ask if they have any suggestions to make as to the form which further help should take.

3. I should still like to have, as soon as possible, your own views on the points raised in my telegram No. 9.

[R 1/1/44] No. 3.

Viscount Halifax to Sir H. Knatchbull-Hugessen (Angora).

(No. 16.)
(Telegraphic.) *Foreign Office, January* 3, 1940.

YOUR telegram No. 878 [of 30th December: Possibility of resumption of commercial exchanges between Turkey and Germany].

We cannot hope to stop all trade between Turkey and Germany. Besides chrome, however, there are certain other Turkish commodities which we consider it important to withhold from Germany. These are cotton, wool, olive oil, vallonia and mohair. We suggest that these commodities should form the subject

of a separate war trade agreement with Turkey. A draft of such an agreement was given to the Turkish Secretary-General. The latter said that he had no authority to discuss the question here, but undertook to consider the possibility of concluding an agreement on his return to Angora in consultation with other Government departments concerned.

2. If you see no objection, please call the attention of the Minister for Foreign Affairs to the indications referred to in your telegram under reference regarding possible resumption of trade between Turkey and Germany. You should explain the position as set out in the foregoing paragraph (omitting the first sentence), and urge that, pending the promised examination of the question by the Secretary-General on his return to Angora, the Turkish Government should not enter into any engagement to supply to Germany the commodities mentioned above.

[N 103/30/38] No. 4.

Sir H. Knatchbull-Hugessen to Viscount Halifax.—(*Received January* 4, 1940.)

(No. 742. Most Secret.)

My Lord, *Angora, December* 19, 1939.

I HAVE read with great interest Mr. Maclean's very able memorandum of the 28th October on the Soviet threat to British interests in the Middle East, in which he develops the view that Soviet ambitions are Asiatic rather than European, and that the real danger lies in the Middle East—Iran and Afghanistan, with India as the prize—and possibly even further eastwards.

2. Allowing for the element of opportunism which is so characteristic both of German and of Soviet policy at present, Mr. Maclean's views carry great weight. They are certainly borne out by the history of the last century and by the analogy of the French Revolution, which illustrates the tendency of revolutionary Governments to revert to the traditional foreign policy of their predecessors. As regards the present day, they are supported by the consideration that there is at least more logic and continuity of purpose to be traced in the policy of Stalin than in that of Hitler during the last six months, and that, for that reason, the influence of tradition on foreign policy may be said to guide the former to a greater extent than the latter. A vast area of Poland has been seized; the Baltic States have been brought under the shadow of Moscow; Stalin has proceeded further and hopes to take Finland also. Though by no means free from opportunism, these moves, once initiated, suggest a logical sequence; if successfully carried out, they could ultimately be expected to reach saturation point in the west, after the recovery of the territories under the old Russian Empire, unless, of course, they are pushed further with the object of acquiring a port on the Norwegian coast.

3. As seen from the Turkish angle (which is my excuse for the present despatch), it would, however, appear more than likely that the next step would be in the Balkans. Indeed, if the problem could be decided in the realm of pure theory, such a move would be fairly obvious; but facts as well as guesswork intervene here and furnish arguments both for and against this belief. The pros and cons have been fully set forth both in your Lordship's recent conversations with Balkan representatives and with the Turkish Secretary-General in London, and in telegrams from this and other Balkan posts. The problem of the next Soviet move continually presents itself in different lights, and it is not necessary to follow it up here. For the present the answer to it must remain uncertain.

4. But what is certain is that the problem exists and must be faced; that there is a danger of a Soviet move into Bessarabia; that such a development, if it cannot be isolated, may result in troubles in Bulgaria and in a Soviet push, with or in spite of Germany, to the mouth of the Danube and to the Bosphorus, and that such an event cannot fail to draw the whole of this part of the world into the war.

5. In so far as Turkey is concerned, the mere fact that these dangers exist has appeared enough to necessitate early preparations to meet them. As reported in my telegram No. 836 of the 16th December and my despatch No. 729 of the same date, the Turkish General Staff are creating two new army corps in Eastern

Turkey and are increasing their defences on the Soviet frontier. It is significant that my military attaché has at last been informed of these preparations. For some time the General Staff denied that they had moved even so much as one man to the eastern front, although we had good reason to believe from other sources that unostentatious precautions were being taken. This silence on the part of the military authorities was solely due to the fixed policy of avoiding the smallest action likely to cause offence to the Soviet Government. A short time ago, however, the Minister for Foreign Affairs informed me that Turkish forces in the north-east were being gradually and very unobtrusively increased. Even so, it was not till some days later that the General Staff admitted this.

6. The admission is significant, as it proves that things have now reached a stage where the Turkish Government realise that the danger of a Soviet move in the spring is sufficiently concrete to render it necessary for them to subordinate their anxiety to avoid offending Moscow—anxiety to which official expression is given in protocol 2 of the Tripartite Treaty of the 19th October last—to their desire to press on with whatever preparations are necessary. The Minister for Foreign Affairs has for some time admitted to me that the eyes of the Turkish Government and of the General Staff have been diverted from Germany—now regarded as a remoter enemy—and are definitely directed towards the Soviet Union. Indeed, the President of the Republic has in the last few days carried out an extensive tour in the north-eastern districts in the company of General Orbay, who is general officer commanding in that area, and I understand that a second tour is to take place in the near future.

7. In addition to these Turkish preparations, the part to be played by ourselves and France is being studied between the naval, military and air authorities of the three countries, and the Turkish forces are, as far as is possible, being strengthened by the supply of war material from France and England.

8. I mention these military preparations, both Turkish and Allied, as it seems important to take note of them before developing the argument which I am anxious to bring to your Lordship's notice as an essential corollary to Mr. Maclean's conclusions.

9. This argument can be stated at once in a few words. It is that wherever the Soviet drive is eventually made, whether in South-Eastern Europe, through North-Western Iran into Iraq, into Iran itself or through Afghanistan in the direction of India, or, indeed, even further east, the strategic and geographical position of Turkey is such that it is, or could be made, impossible for the Soviet Union to execute any of these moves without devoting serious consideration to the reaction in this country.

10. In the last century circumstances were different. The gradually decaying Ottoman Empire was powerless to resist Russian designs, and on many occasions fell an easy prey; but, even so, when the active support of Great Britain and France was either threatened or accorded, Russia was forced to withdraw. The Turkish Republic of to-day is very different: homogeneous, united, conscious of its strength and of its potentialities, and, although abjuring external ambitions, intensely nationalist. It would resist with all its power any threat to its existence or vital interests. In Europe it has its Balkan allies, in Asia its companions in the Saadabad Pact, and in both continents it can count on the co-operation of Great Britain and France in the event of a Soviet menace to the common interests.

11. It would seem clear, therefore, both from past experience and from present circumstances, that the most effective safeguard against Soviet designs, wherever aimed, consists in the development of the utmost strength possible in Turkey. If the danger comes in the Balkans or against Turkey herself, the advantage of a strong bulwark here is evident both for its own sake and as a centre of attraction for neighbouring countries If, as Mr. Maclean suggests, the threat comes further east, the stronger Turkey can be made, the greater will be the hope of putting spirit into the other members of the Saadabad Pact, and the greater the Soviet need for caution. In your telegram No. 461 of the 29th November to His Majesty's Ambassador at Bagdad, your Lordship spoke of the importance of strengthening the morale of the Afghan and Iranian Governments in their resistance to threats of Soviet penetration, and you added that any practicable proposals for increased co-operation between the Saadabad Powers as a whole would be welcome, especially if the initiative were to come from Turkey. Here again, a strong Turkey, well supported by ourselves and France, would seem to provide the key to the situation; and it seems desirable that Turkish initiative

should not be allowed to fail from lack of prompting. On this foundation it should be possible to build whatever structure may be necessary to secure co-operation between the Middle Eastern Powers concerned.

12. I have ventured to emphasise the point, in spite of my knowledge of all that is being done to strengthen this country, because I notice from Mr. Maclean's memorandum that he places little confidence in the will of Iran and Afghanistan to resist a Soviet drive, and that he even has doubts as to our own power to oppose such a drive effectively, either through Iran or from India. If this view be correct, the importance of Turkey would seem to be proportionately greater. On this aspect of the matter I have the honour to enclose a copy of a minute supplied to me by Brigadier Arnold, my military attaché, containing comments.

13. In view of the most secret nature of Mr. Maclean's memorandum, I have not forwarded copies of this despatch to the Government of India or to any other posts. I enclose, however, sufficient spare copies in case it is desired to forward them.

I have, &c.
H. M. KNATCHBULL-HUGESSEN.

Enclosure in No. 4.

Minute by Brigadier Arnold.

WITH reference to the secret memorandum of the 28th October (Confidential Print, Soviet Union, October 28, 1939, Section 4) by Mr. F. H. R. Maclean, I have not Mr. Maclean's intimate knowledge either of Soviet mentality or of the direction in which Soviet ambition is likely to seek an outlet; but I do feel that Mr. Maclean both takes a pessimistic view of the power of British reaction in Afghanistan, and at least underrates Turkish reactions to the various courses which, he has suggested, are open to the Russians.

2. Whatever the state of Turkish mentality may have been on the 28th October, the date on which the memorandum was written, there is no doubt whatever that to-day Turkey would react most violently to an attempt on the part of Russia to establish herself as a mistress of the oil-fields in Iran and Iraq.

3. Turkey desires to preserve friendly relations with the Soviet Union, but not at any price. Given that the French and British can secure her a reasonable scale of rearmament (and this is well on the road to realisation), and given that she can count on British naval and air support in the Black Sea and Trans-Caucasus, Turkey would be likely to regard a move against Iran and Iraq—her co-partners in the Saadabad Pact—as a hostile act and would take steps accordingly. It is, in fact, in view of this very contingency that Turkey is at this moment substantially increasing her forces on the eastern frontier; and it is the officially expressed opinion of her General Staff that the Soviet Union would not dare to undertake a movement against Iran without taking steps at the same time to neutralise the Turkish eastern frontier with powerful forces. Should she fail to do so, she would lay open her now important oil interests in the Baku–Batum area to attack, while she was actively engaged elsewhere.

4. Nor does Mr. Maclean appear to have fully appreciated the physical difficulties which an advance in force against Iran, combined with the maintenance of substantial forces in Transcaucasia, would entail. Communications are extremely restricted and the Soviet military machine has already shown itself twice in the last three and a half months (in Poland and in the Baltic States) incapable of organising rapidly a reliable line of communications even under peace conditions, and in a terrain better provided with communications than that which the Russians would have to cross during an invasion of Iran.

5. As regards the supply of information regarding Soviet affairs in the Middle East, I again feel that Mr. Maclean underrates the ability of the Turks. The Turkish General Staff, on their own admission, are extremely well informed on the state of feeling in Transcaucasia and are convinced that it would take very little encouragement on their part to foment active rebellion in these districts, and they have, in fact, taken secret and preliminary measures to this end.

A. C. ARNOLD, *Brigadier,*
Military Attaché.

Angora, December 20, 1939.

[R 241/17/44] No. 5.

Sir H. Knatchbull-Hugessen to Viscount Halifax.—(*Received January* 5, 1940.)

(No. 758.)
My Lord, *Angora, December* 29, 1939.

WITH reference to your Lordship's circular of the 4th November, I have the honour to transmit herewith a political review dealing with the general attitude of Turkey during the past year.

I have, &c.
H. M. KNATCHBULL-HUGESSEN.

Enclosure in No. 5.

Political Review for the Year 1939.

TO say that any period of history is a period of transition is almost always to utter a meaningless platitude. But there are certain periods whose transitional character is more especially marked. Such, for instance, has been the past year for the Turkish Republic.

2. There have been three transitions: the first from the régime of Atatürk to that of Ismet Inönü, the second in foreign policy, and the third—and most painful—in commercial relations. If these three transitions are examined, the history of Turkey in 1939 should have been fully covered.

3. The death of the founder of a new régime must always be a time of uncertainty. Of the many new régimes founded in the last twenty years, only two have so far passed through this experience. In each case the régime has survived. In Russia there has clearly been a change of direction though not of form. In Turkey, even at such short distance, it seems safe to say that there has been practically no change at all. Atatürk died on the 10th November, 1938; he was immediately succeeded by Ismet Inönü as President. Ismet was re-elected to a second term of office by the unanimous vote of the Grand National Assembly on the 3rd April, 1939.

4. In the interval there had been certain changes in the personnel of the Government. In January Dr. Refik Saydam had succeeded M. Celal Bayar as Prime Minister. Previous to this change of Cabinet M. Şükrü Kaya had ceased to be Minister of the Interior and Dr. Tevfik Rüştü Aras (later ambassador in London) had been succeeded at the Ministry for Foreign Affairs by M. Şükrü Saracoğlu, previously Minister of Justice. Not long afterwards M. Fethi Okyar, formerly ambassador in London, became Minister of Justice. But these changes can be adequately explained by the natural desire of the new President to surround himself with his own men, and this desire is the more intelligible when it is remembered that there was between Atatürk and Ismet not only a certain estrangement during the previous few years, but a very marked difference in manner of life. The changes were, indeed, regarded by many as a mild remonstrance with the exuberance of Atatürk and his circle and a hint that in future life was to be quieter and more orthodox. The new President lives a regular life; there are no more long evenings at the cabaret in the basement of the Ankara Palace Hotel, and the foreign representatives are now spared those copious and prolonged potations, the heroic endurance of which by my predecessors has done so much to put Anglo-Turkish relations where they now stand. As to orthodoxy, there have even been suggestions that Ismet was inclined to restore some degree of Moslem observance. This is, I think, misleading. The ladies of his family are devout Moslems, and he himself is at all events more disposed that way than his predecessor. It seems, however, to be a personal and family matter, and there is no reason to expect any attempt to upset the "laic" policy instituted by Atatürk. But the abolition of Mahommedanism as a State religion has by no means entailed its disappearance as a practised faith. The mosques are full as ever, and it is safe to say that, below the intellectual stratum, Islam retains its hold on the people of Turkey.

4. New elections were held at the beginning of this year, and the new National Assembly held its first meeting early in April. Its first act was to elect Ismet Inönü to a second term of office as President of the Republic. Since that

date the conduct of affairs has continued smoothly and the new President and Government seem to be firmly established. Beyond noting this fact and drawing attention to the extreme ease of the transition from the old to the new, there is little to be said about internal affairs. The conclusion is that the political edifice constructed by Kemal Atatürk rests on solid foundations and that the nation as a whole is alive to its merits and proud of its achievements.

5. The transition in foreign relations is more spectacular. The old political association with Germany had no staying power. Even during the last war it went largely against the grain, and the treatment accorded to their allies by the Germans laid the foundation for a resentment which has been cherished ever since. The political bonds were worn through and it required no effort to cast them off. They had always been artificial. The economic ties, which were natural and based on physical geography, are proving more difficult to shed. The decision of the Turkish Government that their real interests lay in close relations with His Majesty's Government was taken long before the death of Atatürk. It was reached after long and careful examination of Turkey's position. In effect it goes to show how little has changed, and that for Turkey, as for all countries, a normal course is set along which her foreign policy can best move. Atatürk's decision proves how, in spite of the tremendous difference between the Ottoman Empire and the Turkish Republic, the policy of the 19th century should be the policy of the 20th.

6. This policy had reached a certain stage of development before the opening of the year under review. It is probable that it would have continued steadily without involving the Turkish Government in any definite commitment had it not been for the striking events which were occurring in Europe. The seizure of Czecho-Slovakia by Germany, disturbing as it was for Turkey, was still more or less remote, and the alarm in regard to a German ultimatum to Roumania which followed almost immediately afterwards proved to be false. But the Italian occupation of Albania touched a more delicate spot. Since 1911 Italy had been the chief enemy in Turkish eyes. Signor Mussolini's speeches in later years advocating Italian possession of Anatolia had not been forgotten, and the presence of Italian forces and fortifications in the Dodecanese was a perpetual irritation. By seizing Albania, Italy had become a Balkan Power. This was a direct threat to the *status quo* in the Balkans and a not much less direct threat to Turkey herself and to those Balkan Allies to whom she has obligations. This was the deciding factor, and the immediate result was the Anglo-Turkish Declaration of the 12th May, 1939. Negotiations for this had been carried on direct between His Majesty's Government and the Turkish Government, as the French Government were debarred from making headway so long as no agreement was reached with regard to the cession of the Hatay. However, this matter was finally disposed of by an agreement of the 23rd June by which the vilayet was made over to Turkey, and a Franco-Turkish declaration in terms identic with the Anglo-Turkish Declaration was read in the Grand National Assembly and in the Chambre des Députés on the 23rd June. From that date tripartite negotiations were pressed on, and the Anglo-Franco-Turkish Treaty of Mutual Assistance was signed in Angora on the 19th October.

7. The signature of the treaty was greeted with general approval throughout the country and proved an undoubted set-back to Germany. But it is to be remarked that between the time when negotiations had originally been opened and the close of the year the situation to which the treaty owed its origin had very perceptibly changed. At the outset Italy was the enemy, and it was in regard to Italy and the Mediterranean that Turkey showed the strongest determination to take the side of England and France in a war. Her attitude to Germany, though decided, was nevertheless guarded, while a special protocol was included in the treaty providing that in no circumstances should Turkey be obliged to go to war with Russia. By the time the treaty was signed the Allies were at war with Germany, while Italy had declared her "non-belligerency." By the end of November not only had the Turco-Soviet conversations broken down, but Russia had perpetrated her outrageous attack on Finland. As a result of these developments, the Turkish attitude to Italy had greatly modified itself, while her attitude to Russia had very perceptibly hardened. Germany remained an enemy and a cordially detested enemy, but had become more remote.

8. The wheel had gone full circle, and Turkey had become the partner with Great Britain and France in a treaty directed against her former ally and designed to preserve the signatories against the dangers which threatened

them in the Mediterranean and the Balkans. It is interesting to note, as a sidelight, that the Power to whom Turkey looks as her real and essential ally is Great Britain. Turkey would undoubtedly have preferred a bipartite treaty, and is inclined to admit France rather because that country is our ally than for any feelings of her own towards her. The negotiations in regard to the Hatay engendered a considerable amount of friction, and there have been clear indications, even since the signature of the treaty, that the Turkish Government would prefer to deal with us and confide in us alone. There exists also an evident desire to convert the present *ad hoc* understanding into a long-term and comprehensive alliance between Turkey and Great Britain.

9. Turkey's other international obligations consist in the Balkan Pact, the Russo-Turkish Treaty and the Saadabad Pact. The Balkan Pact, reinforced as it is by the Turco-Greek Treaty, has caused a considerable degree of diplomatic activity during the year. There was a meeting of the Balkan *Entente* at Bucharest in February, and in March M. Kiosseivanoff visited Angora. In April the Turkish Minister for Foreign Affairs had a conversation in Istanbul with M. Gafencu, who, in June, paid an official visit to Angora. In August King Carol of Roumania visited the President at Dolma Bagtche on his way home from a yachting trip in the Mediterranean.

10. One of the principal objects of Turkish policy during the year has been to devise some means of bringing Bulgaria into the Balkan Pact, or at least into closer association with it. But so far Bulgarian claims or the reluctance of Bulgaria's neighbours to concede them have proved insuperable obstacles. The Minister for Foreign Affairs has not, however, given up hope, and, as the dangers threatening this part of the world, and Roumania in particular, seem to loom larger, he still sees chances of succeeding in this very laudable policy.

11. As to the Russo-Turkish Treaty, the ties seem to be wearing rather thin. Since the unsuccessful conversations in Moscow there has been a coldness on the part of the Soviets, and Stalin sent an extremely frigid reply to M. Saracoğlu's congratulations on his 60th birthday. Meanwhile, the Turkish Government and General Staff are fully awake to the necessity of preparing against all eventualities.

12. The effect of recent developments on the Saadabad Pact has been slightly upsetting. After the Turkish Minister for Foreign Affairs' return from Moscow there had been a question of a meeting of the Saadabad Powers. Iran, however, cried off, being apparently seriously alarmed as to the effect of such a meeting upon Moscow. There is, therefore, a certain degree of confusion at present. Iran and Afghanistan seem apprehensive of Russian intentions; so does Iraq, but in her case the Iraqi Prime Minister is advocating an alliance with Turkey to deal with the supposed Russian threat. It is to be hoped that these conflicting points of view will not result in any measure which might have the effect of weakening the Saadabad Pact, which, in the eyes of His Majesty's Government, forms the best combination in present circumstances and the best foundation on which to build some more solid structure should need arise. It seems clear that the influence of Turkey is the deciding factor among these Powers, and it is remarkable that Turkey, in spite of her laicism and treatment of the Caliphate, should still hold among the Moslem countries of the Middle East, both great and small, so central and so influential a position. This is gratifying to Turkey and would appear to be an exceedingly important consideration from the point of view of British policy, in which it could be a factor of great advantage. Turkey herself seems to accept the position, not without a certain degree of amused surprise. I should not, however, be inclined to agree that she cherishes any desire to turn this influence to practical account in any policy of external expansion. The Minister for Foreign Affairs at least has on many occasions spoken to me of the benefits which have resulted from the disappearance of the Ottoman Empire, and the fact that Turkey is now left free to develop her own national life for her own people, now united and homogeneous, without incurring such responsibilities as, for instance, the maintenance of order in the Yemen, which in the present European situation would be a disastrous obligation.

13. The third transition which has characterised the past year has been economic and commercial. Even before her close approach to the Western Powers Turkey had found that she was in the awkward position of having two allegiances, political to Great Britain and commercial to Germany. If the former was natural, the latter, though it should have been equally natural, had become distorted and denaturalised by every kind of artificial arrangement, as a result of which

Turco-German trade was conducted on a basis which had no relation whatever to world prices or to the ordinary laws of international trade. Turkey was thus caught in the meshes of a trade system which placed her largely in the power of Germany. Her new political ties gave her an opportunity of calling for help. If, from the political and military point of view, she was essential to France and Great Britain, they must free her from her economic slavery. The difficulty has been that by reason of this slavery her outside markets had gone and her former customers looked elsewhere. As to her chief export, tobacco, it was her former alliance with Germany which had revolutionised the taste of the British public, who were now said to be inconsolable without the American products. Of her other staple exports, raisins, figs, sultanas and hazelnuts presented the greatest difficulties.

14. Much has, however been done by His Majesty's Government and the French Government to meet the needs of the situation. Under the tripartite agreement they have undertaken large credits and a gold loan to support the Turkish currency. In addition, large purchases of Turkish produce have been arranged. The process of transferring from the German to the Allied and world markets is necessarily painful, but it is to be hoped that real progress has now been made in the direction desired.

[R 330/17/44] No. 6.

Sir H. Knatchbull-Hugessen to Viscount Halifax.—(Received January 6.)

(No. 24.)
(Telegraphic.) R. *Angora, January 5, 1940.*

YOUR telegram No. 15.

I have received interim communication from Ministry for Foreign Affairs expressing gratitude for offer of additional help, and suggesting that it takes general form of thick cloth for winter use and medical supplies. A more detailed reply is promised shortly. Ministry for Foreign Affairs add that the Turkish Government would like to receive the £25,000 gift in cash.

[R 487/1/44] No. 7.

Sir H. Knatchbull-Hugessen to Viscount Halifax.—(Received January 9.)

(No. 7.)
(Telegraphic.) *Istanbul, January 9, 1940.*

YOUR telegram No. 16.

Counsellor handed the Minister for Foreign Affairs on 8th January aide-mémoire containing substance of your telegram, but omitting first sentence.

2. Minister for Foreign Affairs remarked that Turkey had only promised him not to send chrome to Germany, and had made no promise as regards the other commodities mentioned. In the case of oils, for instance (olive and other vegetable oils), there were now 70,000 tons for disposal. Internal consumption would account for 15,000 tons, but the remaining 55,000 tons would have to be disposed of. Turkey could hardly be expected to undertake not to send oil as well as chrome to Germany. Germany could pay for some at least in frozen liras.

3. Minister for Foreign Affairs went on to say that negotiations were proceeding with Germany. Turkey had asked for 2 million liras' worth of locomotives and railway material, and had proposed in return to allow Germany to use 6 million liras out of the total frozen liras to make purchases in Turkey. In course of negotiations the Turks had also asked for drugs and medical supplies. The Germans had refused these, probably as a means of pressure to secure better conditions from the Turks. The Turks had, however, withdrawn this request entirely.

4. Minister for Foreign Affairs thought the Germans were not pressing for vegetable oils (although he knew that these were amongst their greatest needs), as they thought that the Turkish need to dispose of oil supplies would, in the end, force the Turkish Government to offer them. He added that as yet they had given nothing to the German negotiators.

[R 473/7/44] No. 8.

ANGLO-FRANCO-TURKISH FINANCIAL AND COMMERCIAL AGREEMENTS SIGNED IN PARIS, JANUARY 8, 1940.—*(Received in Foreign Office, January 10.)*

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I.—ARRANGEMENT RELATIF AU CRÉDIT DE 25 MILLIONS DE LIVRES STERLING À 4 POUR CENT, 1939.

CONSIDÉRANT qu'un accord est intervenu entre le Gouvernement du Royaume-Uni de Grande-Bretagne et d'Irlande du Nord, le Gouvernement de la République Française et le Gouvernement de la République Turque pour l'ouverture en faveur du Gouvernement turc d'un crédit de 25 millions de Livres sterling destiné à couvrir des fournitures de matériel de guerre.

Les Gouvernements ci-dessus mentionnés sont convenus des dispositions suivantes en vue de régler les modalités techniques dudit crédit.

ARTICLE 1er.

Le crédit de 25 millions de livres sterling ouvert au Gouvernement turc sera utilisé comme suit :

Le Gouvernement français consentira au Gouvernement turc des cessions de matériel de guerre dont les modalités feront l'objet de conventions particulières à conclure entre les Représentants qualifiés du Gouvernement français et du Gouvernement turc. Au fur et à mesure des échéances prévues dans ces conventions le Gouvernement français, d'accord avec les Représentants qualifiés du Gouvernement turc, versera aux Administrations françaises intéressées les sommes exigibles en application desdites conventions.

Les fournitures à faire par le Royaume-Uni seront effectuées soit sous forme de cessions par les Administrations intéressées, soit sous forme de livraisons par des entreprises privées. Les modalités de ces fournitures seront réglées par une convention spéciale à conclure entre les agents diplomatiques de la République turque à Londres et l'Export Credits Guarantee Department, et par des contrats particuliers avec chaque Administration ou avec chaque entreprise.

Au fur et à mesure des échéances prévues dans cette convention ou dans ces contrats, le Gouvernement du Royaume-Uni, d'accord avec les représentants qualifiés du Gouvernement turc, versera les sommes exigibles aux Administrations ou aux entreprises intéressées par l'entremise d'une banque choisie par le Gouvernement du Royaume-Uni et par le Gouvernement turc. Ces versements se feront sans frais ni commission.

Les versements ainsi faits par le Gouvernement français et par le Gouvernement du Royaume-Uni pour le compte du Gouvernement turc, soit à titre d'acomptes, soit à titre de paiements définitifs, seront inscrits à la date où ils seront effectués au débit d'un compte tenu

au nom du Gouvernement turc en livres sterling, et prendront effet, quant aux intérêts et aux conditions de remboursement, à partir de cette date.

Toutefois, pour les fournitures faites au cours de l'année 1939, les montants correspondant à la valeur de ces fournitures seront, lorsqu'elles auront été arrêtées d'accord avec les représentants qualifiés du Gouvernement turc, portées au débit de son compte aux dates de livraison et prendront effet, quant aux intérêts et aux conditions de remboursement, à partir de ces dates.

ARTICLE 2.

Le Gouvernement turc assurera le remboursement des montants portés au débit de son compte dans les conditions prévues à l'article premier, ainsi que le paiement des intérêts au taux de 4 pour cent l'an, au moyen de versements semestriels en livres turques payables le 30 Juin et le 31 Décembre de chaque année à partir du 30 Juin 1940 inclusivement. Ces versements correspondront à la contrevaleur de montants en livres sterling calculés dans les conditions ci-après :

1° Le 30 Avril 1940, les paiements faits par le Gouvernement français et par le Gouvernement du Royaume-Uni pour le compte du Gouvernement turc jusqu'à cette date seront totalisés, augmentés des intérêts courus sur chaque paiement jusqu'à cette date. Le total obtenu sera ramené sur la base du taux de 4 pour cent l'an à sa valeur réelle au 31 Décembre 1939. La dette ainsi arrêtée sera remboursée par le Gouvernement turc au moyen de 40 semestrialités égales calculées sur la base du taux de 4 pour cent l'an, la première semestrialité venant à échéance le 30 Juin 1940.

2° Le 31 Octobre 1940, les paiements faits par le Gouvernement français et par le Gouvernement du Royaume-Uni pour le compte du Gouvernement turc depuis le 1er Mai 1940 jusqu'au 31 Octobre 1940 seront totalisés, augmentés des intérêts courus sur chaque paiement jusqu'au 31 Octobre 1940. Le total obtenu sera ramené sur la base du taux de 4 pour cent l'an à sa valeur réelle au 30 Juin 1940. La dette ainsi arrêtée sera remboursée par le Gouvernement turc au moyen de 40 semestrialités égales calculées sur la base du taux de 4 pour cent l'an, la première de ces semestrialités venant à échéance le 31 Décembre 1940.

3° Le remboursement des avances ultérieures s'effectuera selon les mêmes modalités : chaque 30 Avril ou chaque 31 Octobre, selon le cas, les paiements faits par le Gouvernement français et par le Gouvernement du Royaume-Uni pour le compte du Gouvernement turc au cours de la période de six mois se terminant à la date en question seront totalisés, augmentés des intérêts courus sur chaque paiement jusqu'à cette date. Le total obtenu sera ramené sur la base du taux de 4 pour cent l'an à sa valeur réelle au 31 Décembre ou au 30 Juin précédent, selon le cas. La dette ainsi arrêtée sera remboursée par le Gouvernement turc au moyen de 40 semestrialités égales calculées sur la base du taux de 4 pour cent l'an, la première semestrialité venant à échéance le 30 Juin ou le 31 Décembre, selon le cas, suivant la date à laquelle la dette aura été arrêtée.

ARTICLE 3.

A chaque échéance le Gouvernement turc versera la contrevaleur en livres turques des montants en livres sterling échus, à un compte spécial ouvert au nom du Gouvernement français et du Gouvernement du Royaume-Uni auprès de la Banque Centrale de la République de Turquie. La conversion des livres sterling en livres turques sera faite d'après le cours d'achat de la Banque Centrale de la République de Turquie pratiqué la veille du jour de l'échéance. Les versements en livres turques ainsi effectués seront libératoires pour le Gouvernement turc.

La disponibilité du compte spécial ci-dessus visé seront utilisées par le Gouvernement français et par le Gouvernement du Royaume-Uni pour l'achat en Turquie de produits turcs de toutes natures destinés à être importés en France et dans le Royaume-Uni pour la consommation intérieure de ces pays.

ARTICLE 4.

Le présent arrangement entrera en vigueur à la date de sa signature.

En foi de quoi, les plénipotentiaires dûment autorisés à cet effet, ont signé le présent arrangement.

Fait en triple exemplaire à Paris le 8 Janvier 1940.

R. H. CAMPBELL.
EDOUARD DALADIER.
N. MENEMENCIOGLU.

II.—ARRANGEMENT RELATIF A L'EMPRUNT DE 15 MILLIONS DE LIVRES STERLING A 3 POUR CENT, 1939.

CONSIDÉRANT qu'un accord est intervenu entre le Gouvernement du Royaume-Uni de Grande-Bretagne et d'Irlande du Nord, le Gouvernement de la République Française et le Gouvernement de la République Turque pour l'octroi au Gouvernement Turc d'un emprunt de 15 millions de livres sterling livrables en or à Ankara.

Les Gouvernements ci-dessus mentionnés sont convenus des dispositions suivantes en vue de régler les modalités techniques dudit emprunt.

ARTICLE PREMIER.

Le Gouvernement de la République Française et le Gouvernement du Royaume-Uni remettront au Gouvernement Turc à Ankara le plus tôt possible, et en tout cas dans un délai maximum de six semaines à compter de la signature du présent arrangement, la contre-valeur en or de 15 millions de livres sterling calculée au cours coté par la Banque d'Angleterre, soit 168 shillings l'once d'or.

ARTICLE 2.

Le Gouvernement de la République Turque assurera le remboursement du capital de l'emprunt, ainsi que le paiement des intérêts y afférents, calculés au taux de 3 pour cent l'an, au moyen de quarante versements semestriels en livres turques égaux chacun à la contre-valeur de livres sterling : 501.406.10.0, payables le 30 juin et le 31 décembre de chaque année à partir du 30 juin 1940 inclusivement.

Toutefois, le versement semestriel payable le 30 juin 1940 sera réduit du montant des intérêts à 3 pour cent l'an courus depuis le 31 décembre 1939 jusqu'à la date où la livraison d'or prévue à l'article premier aura été effectivement réalisée.

ARTICLE 3.

Les sommes dues pour le service de l'emprunt seront calculées en livres turques en prenant comme base de conversion des livres sterling en livres turques le cours d'achat de la Banque Centrale de la République de Turquie pratiqué la veille du jour de l'échéance. Les montants ainsi calculés seront versés à chaque échéance au crédit d'un compte spécial en livres turques ouvert par ladite Banque au Gouvernement Français et au Gouvernement du Royaume-Uni.

Ces versements seront libératoires pour le Gouvernement de la République Turque.

ARTICLE 4.

Le Gouvernement Français et le Gouvernement du Royaume-Uni utiliseront les livres turques portées au crédit de leur compte spécial dans les conditions fixées à l'article précédent, pour l'achat de tabacs d'origine turque destinés à la consommation intérieure de la France et du Royaume-Uni et de tous autres produits destinés au même usage, qui seront déterminés d'un commun accord avec le Gouvernement Turc.

ARTICLE 5.

Le présent arrangement entrera en vigueur à la date de sa signature.

En foi de quoi, les plénipotentiaires, dûment autorisés à cet effet, ont signé le présent arrangement.

Fait, en triple exemplaire, à Paris, le 8 Janvier 1940.

R. H. CAMPBELL.
EDOUARD DALADIER.
N. MENEMENCIOGLU.

III.—ACCORD ANGLO-FRANCO-TURC SUR LE CHROME.

Le Gouvernement du Royaume-Uni de Grande-Bretagne et d'Irlande du Nord, le Gouvernement français et le Gouvernement turc sont convenus des dispositions suivantes :

ARTICLE 1er.

Pendant la durée du présent accord et à l'exception des quantités qui seront éventuellement exportées par la Turquie aux États-Unis d'Amérique, le Gouvernement français et le Gouvernement du Royaume-Uni achèteront toutes les quantités de minerai de chrome et de produits dérivés disponibles sur le marché turc, en y comprenant le stock existant de minerai de chrome au moment de la signature du présent accord, évalué forfaitairement à 50,000 tonnes, et étant entendu que la production turque de minerai de chrome sera fixée à un maximum de 250,000 tonnes par an.

ARTICLE 2.

Sur le minerai de chrome et les produits dérivés exportables mentionnés à l'article 1 ci-dessus, la part de la France sera de 4/15 et celle du Royaume-Uni de 11/15.

ARTICLE 3.

La contrevaleur en sterling des achats de chrome effectués par le Gouvernement du Royaume-Uni dans les conditions prévues aux articles 1 et 2 ci-dessus sera portée au crédit de la Société "Anglo-Turkish Commodities, Ltd." et sera employée exclusivement aux fins définies au paragraphe 4 (2) (IV) de l'accord anglo-turc de commerce et de clearing du 27 mai 1938, additionnel à celui du 2 septembre 1936 ainsi qu'aux articles 6 et 7 de la partie 2 de l'accord de garantie anglo-turc du 27 mai 1938.

Le prix d'achat du chrome sera calculé d'après la cotation de la Bourse des Métaux de Londres pour le minerai de même teneur et caractéristiques.

ARTICLE 4.

La part revenant à la France sera achetée conformément aux dispositions des accords de commerce et de paiement franco-turcs.

ARTICLE 5.

Le chrome acheté par la France ou par le Royaume-Uni en vertu du présent accord ne sera pas réexporté vers des pays tiers. Il est toutefois convenu que, sans préjudice de la répartition prévue à l'article 2, la réexportation entre la France et le Royaume-Uni reste libre.

ARTICLE 6.

Le Gouvernement turc se réserve le droit de vendre pour son propre compte du chrome à d'autres pays, et d'exporter ce chrome à destination de ces pays à condition, toutefois, que les acheteurs aient obtenu, dans chaque cas, pour la quantité de chrome correspondante, la renonciation du Gouvernement français et du Gouvernement du Royaume-Uni au droit qui résulte pour chacun d'eux des dispositions des articles 1 et 2 ci-dessus sur les quantités de minerai de chrome et des produits dérivés disponibles en Turquie.

ARTICLE 7.

Le présent accord entrera en vigueur le jour de sa signature et le demeurera pour une période de deux ans.

Sa validité pourra être étendue pour une nouvelle période d'un an, à la demande, soit du Gouvernement français et du Gouvernement du Royaume-Uni soit du Gouvernement turc, cette demande devant être formulée par écrit à une date qui ne devra pas être postérieure au 8 octobre 1941.

En foi de quoi les plénipotentiaires, dûment autorisés à cet effet, ont signé le présent accord.

Fait, en triple exemplaire, à Paris, le 8 Janvier 1940.

R. H. CAMPBELL.
EDOUARD DALADIER.
G. PERNOT.
N. MENEMENCIOGLU.

IV.—ACCORD FRANCO-ANGLO-TURC SUR LES FRUITS SECS.

Le Gouvernement du Royaume-Uni de Grande-Bretagne et d'Irlande du Nord, le Gouvernement français et le Gouvernement turc sont convenus des dispositions suivantes :

ARTICLE 1er.

Le Gouvernement français et le Gouvernement du Royaume-Uni s'engagent à acheter en Turquie des raisins secs, figues sèches et noisettes décortiquées pour le montant annuel de 124,550,000 fr. pour la France et de £1,300,000 pour le Royaume-Uni.

Il est entendu que les raisins, les figues et les noisettes seront disponibles sur le marché turc à des prix raisonnables et qu'ils seront de qualité satisfaisante et bien emballés.

Les raisins secs, les figues et les noisettes seront destinés à la consommation intérieure de la France et du Royaume-Uni. Toutefois, si ces produits sont achetés au moyen de livres turques versées en règlement des emprunts auxquels se réfère le préambule du Protocole signé en date de ce jour, ils bénéficieront des dispositions de l'Article premier dudit Protocole.

ARTICLE 2.

L'engagement d'achat des fruits secs, prévu à l'article 1 ci-dessus, commencera à courir à compter du 1er septembre 1939 et cessera ses effets lorsque se terminera la saison d'exportation des fruits secs en cours au moment où la fin des hostilités actuellement engagées entre la France, le Royaume-Uni et l'Allemagne aura été officiellement constatée par une communication écrite entre les trois Gouvernements.

Dans le cas où les hostilités prendraient fin officiellement à un moment où la saison d'exportation des fruits secs turcs ne serait pas en cours, l'engagement du Gouvernement français et du Gouvernement du Royaume-Uni cesserait ses effets lorsque se terminera la saison d'exportation qui suivra la constatation officielle de la fin des hostilités.

Toutefois, le Gouvernement français et le Gouvernement du Royaume-Uni comme le Gouvernement turc, pourront demander qu'il soit mis fin au présent accord, après l'achèvement de la saison d'exportation des fruits secs turcs de l'année 1942-1943, cette demande devant être formulée avant le 1er janvier 1943.

Aux termes du présent accord, la saison d'exportation des fruits secs turcs correspond à la période qui s'étend du 1er août d'une année au 1er mars de l'année suivante.

En foi de quoi, les Plénipotentiaires, dûment autorisés à cet effet, ont signé le présent accord.

Fait, en triple exemplaire, à Paris, le 8 Janvier 1940.

R. H. CAMPBELL.
EDOUARD DALADIER.
G. PERNOT.
N. MENEMENCIOGLU.

V.—PROTOCOLE.

Le Gouvernement du Royaume-Uni de Grande-Bretagne et d'Irlande du Nord, le Gouvernement de la République française et le Gouvernement de la République turque,

Se référant aux arrangements conclus en date de ce jour au sujet de l'emprunt 4 pour cent de £25 millions, de l'emprunt 3 pour cent de £15 millions, de l'emprunt 3 pour cent de £2 millions et de l'emprunt 3 pour cent de 264,750,000 fr.,

Sont convenus de ce qui suit :

Article 1.

1. Les produits turcs qui seront achetés par le Gouvernement du Royaume-Uni et par le Gouvernement français au moyen des Livres turques versées en règlement du service de chacun des quatre emprunts visés ci-dessus sont destinés à la consommation intérieure du Royaume-Uni et de la France. Il est entendu toutefois que ces produits pourront être aussi utilisés pour les besoins des réfugiés secourus par ces Gouvernements en quelque territoire qu'ils se trouvent ainsi que pour les besoins des troupes françaises et britanniques en quelque territoire qu'elles se trouvent.

2. Les produits achetés conformément à l'alinéa précédent et importés en France pourront être réexportés vers le Royaume-Uni. De même, les produits achetés conformément à l'alinéa précédent et importés dans le Royaume-Uni pourront être réexportés vers la France.

3. Le Gouvernement de la République turque examinera avec la plus grande bienveillance les demandes qui pourront lui être présentées par le Gouvernement français et le Gouvernement du Royaume-Uni tendant à l'exportation ou à la réexportation à destination des colonies britanniques ou de l'empire français des produits achetés dans les conditions indiquées ci-dessus.

Article 2.

Sans préjudice des dispositions spéciales relatives à l'emprunt 3 pour cent de £15 millions, à l'emprunt 3 pour cent de £2 millions, et à l'emprunt 3 pour cent de 264,750,000 fr., les Livres turques à recevoir par le Gouvernement français et par le Gouvernement du Royaume-Uni en règlement du service des quatre emprunts visés ci-dessus, seront utilisables en vue de l'achat et de l'exportation des mêmes produits turcs que ceux qui pourront être achetés et exportés dans le cadre des dispositions générales des accords de commerce et de paiement entre la Turquie d'une part, la France ou le Royaume-Uni, d'autre part.

Article 3.

Afin de faciliter les achats de produits turcs visés ci-dessus et en particulier afin de donner au Gouvernement français et au Gouvernement du Royaume-Uni la possibilité de faire des achats avant le 30 juin 1940 et avant le 31 décembre 1940 sans attendre le versement des Livres turques dues pour le service des emprunts, les trois Gouvernements sont d'accord pour demander à leurs banques d'émission respectives d'étudier un arrangement à cette fin.

Les trois Gouvernements pourront envisager d'un commun accord de prolonger l'application de l'alinéa qui précède en vue de faciliter des achats à effectuer après le 31 décembre 1940.

En foi de quoi, les plénipotentiaires, dûment autorisés à cet effet, ont signé le présent Protocole.

Fait à Paris, en triple exemplaire, le 8 Janvier 1940.

R. H. CAMPBELL.
EDOUARD DALADIER.
N. MENEMENCIOGLU.

VI.—AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM AND THE TURKISH GOVERNMENT REGARDING A LOAN OF TWO MILLION POUNDS.

The Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Turkish Republic, desiring to regulate the technical application of the loan of £2,000,000 sterling made by the Government of the United Kingdom of Great Britain and Northern Ireland to the Government of the Turkish Republic, have agreed as follows :—

Article 1.

The Government of the United Kingdom undertake to place at the disposal of the Government of the Turkish Republic within fifteen days from the date of this Agreement the sum of £2,000,000 sterling by payment to the Bank of England for account of the Central Bank of the Republic of Turkey.

Article 2.

The Government of the Turkish Republic shall repay the principal of the loan and shall pay interest thereon at 3 per cent. per annum by means of forty six-monthly instalments each of which shall be equivalent to £66,854 4s. 0d. sterling and which shall be payable in Turkish pounds on the 30th June and the 31st December in each year beginning on the 30th June, 1940. It is nevertheless agreed that there shall be deducted from the instalment due to be paid on the 30th June, 1940, an amount in Turkish pounds equivalent to interest at 3 per cent. per annum on the amount of the loan for the period between the 31st December, 1939, and the date of the payment to be made in accordance with the provisions of Article 1 of this Agreement.

Article 3.

The loan shall be used in the first place for the transfer of United Kingdom commercial debts in respect of which the corresponding amount has been deposited on or before the 19th October, 1939, in the Special Account at the Central Bank of the Republic of Turkey opened in accordance with the Anglo-Turkish Trade and Clearing Agreement of the 2nd September, 1936. Such transfer shall be effected in accordance with the terms of the Additional Trade and Clearing Agreement signed this day at Paris between the Contracting Governments.

The balance of the loan shall be at the free disposal of the Government of the Turkish Republic.

Article 4.

The instalments referred to in Article 2 of this Agreement shall be calculated in Turkish pounds on the basis of converting pounds sterling into Turkish pounds at the buying rate of the Central Bank of the Republic of Turkey on the day preceding the day on which the relevant instalment is due. The amount of each instalment thus calculated shall be paid when due to the credit of an account in Turkish pounds to be opened for this purpose by the said Bank in the name of the Government of the United Kingdom and payment thereof shall release the Government of the Turkish Republic from further liability in respect of the instalment to which it relates.

Article 5.

The Government of the United Kingdom shall use the Turkish pounds credited as aforesaid to the said account for the purchase of tobacco of Turkish origin intended for consumption within the United Kingdom and of any other such products intended for the same purpose as may be agreed with the Government of the Turkish Republic.

Article 6.

The present Agreement shall come into force on the day of its signature.

In witness whereof the undersigned, duly authorised to that effect, have signed the present Agreement and have affixed thereto their seals.

Done in duplicate in Paris, in the English language, this eighth day of January, nineteen hundred and forty.

A translation shall be made into the Turkish language as soon as possible, and agreed upon between the Contracting Governments.

Both texts shall then be considered equally authentic for all purposes.

(L.S.) R. H. CAMPBELL.
(L.S.) N. MENEMENCIOGLU.

VII.—AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM AND THE GOVERNMENT OF THE TURKISH REPUBLIC ADDITIONAL TO THE AGREEMENT OF SEPTEMBER 2, 1936, REGARDING TRADE AND CLEARING.

WHEREAS the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Turkish Republic have this day made an Agreement (hereinafter called "the Loan Agreement") for the purpose of regulating the technical application of the loan of £2,000,000 sterling made by the Government of the United Kingdom of Great Britain and Northern Ireland to the Government of the Turkish Republic;

And whereas for this and other purposes the Contracting Governments are desirous of amending the Trade and Clearing Agreement made between them in London on the 2nd day of September, 1936 (hereinafter called "the Principal Agreement"), as amended by a Supplementary Agreement made between the Contracting Governments on the 27th day of May, 1938 (hereinafter called "the Supplementary Agreement"), and by Exchanges of Notes between the Contracting Governments dated the 23rd day of August, 1939, and the 23rd day of November, 1939;

Now, therefore, the Contracting Governments agree that the Principal Agreement, as so amended, be further amended in the manner hereinafter appearing:

ARTICLE 1.

For the purpose of transferring, subject to the discount mentioned below, United Kingdom commercial debts of which the corresponding amount of Turkish pounds has been deposited in the Special Account on or before the 19th day of October, 1939, the Central Bank of the Republic of Turkey shall pay to the Controller of the Anglo-Turkish Clearing Office at such times as he may require such part of the amount of the aforesaid loan as may be necessary for the aforesaid transfer. The sums so paid to the Controller of the Anglo-Turkish Clearing Office shall be credited to sub-account A and used for the aforesaid transfer. The payment of the debts in respect of which deposits have been made as aforesaid shall be subject to a discount calculated in accordance with the table below. Each payment so made shall be accepted by the creditor concerned in full discharge of the relevant debt or debts due to him:—

	Percentage reduction in the deposits made in the Special Account, for the months indicated.
1937—	
January, February, March	3
April, May, June	6
July, August, September	9
October, November, December	12
1938—	
January, February, March	15
April, May, June	18
July, August, September	21
October, November, December	24
1939—	
January, February, March	27
April, May, June	30
July, August, September	33
October 1–19	36

ARTICLE 2.

The transfer of United Kingdom commercial debts of which the corresponding amount of Turkish pounds has been deposited in the Special Account after the 19th day of October, 1939, in favour of creditors in the United Kingdom shall be effected through sub-account A and such amount as may be necessary for the purpose shall be transferred from the Account opened under the Exchange of Notes dated the 23rd day of August, 1939 (hereinafter called "the Blocked Account"). The payment of the debts in respect of which deposits have been made as aforesaid shall be subject to a discount calculated in accordance with the table set out below, shall be made in the chronological order of the deposit by the Turkish debtor in the Special Account and shall be accepted by the creditor in full discharge of the relevant debt or debts due to him:—

	Per cent.
1939: October 20–December 31	36
1940: January 1–March 31	39
On and after April 1, 1940	40

ARTICLE 3.

From the date of the coming into force of this Agreement:—

(1) (a) 80 per cent. of all sums credited to the Clearing Account in respect of Turkish goods exported to the United Kingdom in accordance with the provisions of Article 12 or Article 18 of the Principal Agreement as so amended shall be allocated to sub-account C, and

(b) the remaining 20 per cent. of all sums so credited shall be allocated to sub-account B,

and the provisions of the Principal Agreement as so amended shall have effect accordingly.

(2) (a) the allocation to the Blocked Account of 33⅓ per cent. of the amounts allocated to sub-account B shall cease and any balance remaining in the Blocked Account after all transfers due to be made in accordance with the provisions of Article 2 of this Agreement have been effected, shall be transferred to sub-account B,

(b) the provisions of Article 4 (2) (iii) of the Supplementary Agreement and of Article 9 (1) (vii) of the Principal Agreement shall be abrogated, and the provisions of paragraph (1) of this Article shall apply to all sums credited to the Clearing Account in respect of Turkish raisins and figs exported to the United Kingdom.

ARTICLE 4.

Notwithstanding the provisions of Articles 1 and 2 above, a creditor in whose favour a deposit has been or may be made in the Special Account may by notification in writing lodged with the Anglo-Turkish Clearing Office not later than the 20th February, 1940, elect to transfer the deposit by the import of Turkish goods into the United Kingdom. The Central Bank of Turkey shall thereupon on notification from the Anglo-Turkish Clearing Office provide the creditor with Turkish pounds up to the equivalent in Turkish pounds of his debt which the creditor shall be free to use for the purchase of the Turkish goods specified in the attached Schedule for importation into the United Kingdom. The provision of such Turkish pounds for the use of the creditor shall constitute a full discharge for the debt in respect of which the deposit was made. The provisions of the Principal Agreement as so amended shall not apply to such imports.

ARTICLE 5.

The provisions of the Principal Agreement, as so amended, shall not apply to any Turkish goods imported into the United Kingdom which have been purchased out of any balances of Turkish pounds held by the Government of the United Kingdom in pursuance of any Agreements entered into by the Contracting Governments.

ARTICLE 6.

The present Additional Agreement shall enter into force on the 15th January, 1940, and shall remain in force for the same period as the Principal Agreement.

In witness whereof the undersigned, duly authorised to that effect, have signed the present Agreement and have affixed thereto their seals.

Done in duplicate in Paris, in the English language, this 8th day of January, 1940.

A translation shall be made into the Turkish language as soon as possible and agreed between the Contracting Governments.

Both texts shall then be considered to be equally authentic for all purposes.

(L.S.) R. H. CAMPBELL.

(L.S.) N. MENEMENCIOGLU.

SCHEDULE (see Article 4).

1. Tobacco leaves, cut tobacco and cigarettes.
2. Opium.
3. Carpets, carpeting, floor rugs, floor mats and matting and kilims, wholly or partly of wool, mohair, silk or artificial silk.
4. Attar of rose.
5. Sponges (raw and manipulated).
6. Vegetable dyestuffs, vegetable colours and colouring matters.
7. Medicinal plants, flowers, roots and leaves.
8. Eggs, egg powder.
9. Fish oil for industrial purposes.
10. Hemp.

VIII.—EXCHANGES OF NOTES BETWEEN M. MENEMENCIOGLU AND SIR R. H. CAMPBELL.

No. 1.

M. Menemencioglu to Sir R. H. Campbell.

M. l'Ambassadeur, *Paris, le 8 Janvier* 1940.

Lors de nos pourparlers relatifs à l'accord turco-anglais de crédit de 12 millions, Votre Excellence m'avait demandé de quelle manière le Gouvernement turc utiliserait, après déblocage des créances commerciales, le reliquat de cet emprunt mis à sa libre disposition.

Je viens donner à Votre Excellence l'assurance que mon Gouvernement est d'accord pour utiliser la plus grande partie de ce reliquat à des achats ou paiements à effectuer sur les territoires du "sterling area" et de l'Empire français dans la mesure toutefois où les marchandises nécessaires à la Turquie pourront être achetées dans lesdits territoires.

Veuillez agréer, &c.
N. MENEMENCIOGLU.

No. 2.

Sir R. H. Campbell to M. Menemencioglu.

British Embassy,

M. l'Ambassadeur, *Paris, le 8 Janvier* 1940.

PAR lettre en date de ce jour, Votre Excellence a bien voulu me faire connaître ce qui suit :

[As in No. 1.]

J'ai l'honneur d'accuser réception à Votre Excellence de cette communication et de Lui donner en contre-partie l'assurance que le Gouvernement du Royaume-Uni est disposé à accepter, à la demande du Gouvernement turc, la conversion par la Banque d'Angleterre, en monnaies de pays tiers, autres que le franc, de la partie du crédit de Livres Sterling 2 Millions qui sera, dans les conditions définies par votre lettre susvisée, employée en dehors du "sterling area" et de l'Empire français.

Veuillez agréer, &c.
R. H. CAMPBELL.

No. 3.

Sir R. H. Campbell to M. Menemencioglu.

British Embassy,

M. l'Ambassadeur, *Paris, 8th January*, 1940.

En me référant à l'arrangement conclu ce jour à Paris entre le Gouvernement du Royaume-Uni et le Gouvernement de la République turque, additionnel à l'accord de commerce et de paiements du 2 Septembre 1936, j'ai l'honneur de proposer à Votre Excellence ce qui suit. Dans le cas où des arriérés commerciaux dont la contre-valeur a été déposée en livres turques après le 19 Octobre 1939 au Compte-Spécial, ne pourraient, après épuisement du Compte Bloqué, être transférés en livres sterling, le Gouvernement du Royaume-Uni aurait la faculté d'acheter aux créanciers les livres turques correspondantes en payant l'équivalent en livres sterling par le moyen du sous-compte Y du Clearing anglo-turc. Le Gouvernement du Royaume-Uni aura la faculté d'utiliser les livres turques ainsi acquises pour l'achat de raisins secs, de figues sèches et de noisettes décortiquées que le Gouvernement du Royaume-Uni achètera conformément à l'accord signé en date de ce jour entre le Gouvernement du Royaume-Uni, le Gouvernement de la République Française et le Gouvernement de la République turque et aussi pour l'achat de tabac. Le Gouvernement du Royaume-Uni aura la faculté d'utiliser également ces livres turques pour le règlement de toute dette qui pourrait résulter du financement temporaire éventuel qui est envisagé à l'article 3 du Protocole tripartite signé ce jour entre le Gouvernement de la République Française et nos deux Gouvernements. Ces livres turques une fois acquises par le Gouvernement du Royaume-Uni pour les dits besoins, le débiteur turc sera libéré de toute responsabilité ultérieure en ce qui concerne la dette pour laquelle il aurait déposé les livres turques au Compte-Spécial.

J'ai également l'honneur de vous proposer, en outre, que si le Gouvernement de la République Turque n'y voit pas d'objection, cette lettre et la réponse de Votre Excellence soient considérées comme constituant un accord entre nos deux Gouvernements dans le sens qui précède.

Veuillez agréer, &c.
R. H. CAMPBELL.

No. 4.

M. Menemencioglu to Sir R. H. Campbell.

M. l'Ambassadeur, *Paris, le 8 Janvier* 1940.

PAR lettre en date de ce jour, Votre Excellence a bien voulu me faire connaître ce qui suit : —

[As in No. 3.]

J'ai l'honneur d'accuser réception à Votre Excellence de cette communication sur les termes de laquelle le Gouvernement de la République turque est d'accord.

Veuillez agréer, &c.
N. MENEMENCIOGLU.

[R 897/17/44] No. 9.

Sir H. Knatchbull-Hugessen to Viscount Halifax.—(*Received January* 12.)

(No. 8.)
My Lord, *Angora, January* 6, 1940.

WITH reference to my telegram No. 872 reporting the occurrence of a severe earthquake in Eastern Turkey, I have the honour to inform your Lordship that it is now possible to form some idea of the extent of the disaster. The shocks, which occurred approximately between 1 A.M. and 5 A.M. on Wednesday, the 27th December, were felt over an area reaching from a point slightly west of Angora to one about half way between Erzincan and Erzerum, and from Samsun on the Black Sea to a point south of Kayseri. The shocks felt, however, on the periphery of this area were very slight, the most severe tremors taking place in the centre and east-centre of the area in question. The vilayets most affected were Samsun, Ordu, Amasya, Tokat, Sivas, Yozgat, Erzincan, Karahisar and Gümuşane. The railway was broken at one point between Sivas and Erzincan, and, owing to the interruption of telegraphic communication, it was not until some twelve hours later that the first reports began to arrive. The destruction was greatest at Erzincan, a town with a population in normal times of 16,000–17,000, which was entirely destroyed, with the exception of the new railway station and the barracks which are situated some miles away. Casualties, however, amongst the officers, who live for the most part in billets in Erzincan, are understood to have been severe, and nine-tenths of the inmates both of the local military lycée and of the military secondary school are reported to have been killed. The exact number of dead is not yet known, but, owing to the fact that the earthquake took place at a time when the vast majority of the inhabitants were indoors, the loss of life has been extremely high. The shocks were also extremely violent at Yozgat, Amasya, Gümuşane, Ordu, Tokat and Sivas, where the total death roll so far reported amounted to some 3,000. Some damage was done at Trebizond and Samsun, but the shocks in the coastal area appears to have been less severe. Owing to snow and severe frost and the consequent interruption of communications it has not been possible to estimate the extent of the damage in the outlying villages, but it appears to have been very considerable, and it is feared that it will be impossible to reach many of the injured who are lying under the ruins of their houses in time to prevent them dying from the combined effect of their injuries and cold. A member of the National Assembly informed a member of my staff a few days ago that official circles estimated the number of dead at between 40,000 and 50,000, and he feared that the total would ultimately prove to be still greater.

2. The Turkish authorities have taken all steps possible in the circumstances to bring help to the affected areas. Martial law was proclaimed, railway communication was re-established without delay, and medical stores and food supplies were despatched under the direction of the Minister of the Interior, who proceeded in person to the scene of the disaster. Considerable funds have been raised by public and private subscription. To these His Majesty's Embassy contributed the sum of £T. 650, of which £T. 130 were subscribed by the persons present at a service held in the embassy on the 31st December. At the same time the President of the Republic, who had left the capital on a tour of inspection in the Diarbekir area, broke off his journey and proceeded at once via Malatya to Erzincan and Sivas, where he appears to have received an affectionate and at times emotional welcome.

3. Though the extent of the destruction and loss of life in the principal towns of the vilayets affected by the earthquake is now known with more or less accuracy, the position in the more remote districts is, for the reasons set forth above, still obscure, and it is therefore too soon to attempt an estimate of the financial and economic loss suffered by the country as a whole. A more correct appreciation of the situation will presumably become possible in some three months' time, at the end of the winter, when the areas in question become more easily accessible. The blow has been severe, but I have no reason to fear—and this must be a paramount consideration at the present time—that the material resources of Turkey have suffered to such an extent as appreciably to diminish her value as an ally. Moreover, the newly completed Erzincan–Erzerum railway, which is of vital importance from the military point of view, is stated on the

authority of the General Staff to have suffered but trifling damage and to be once more working normally. There has been a certain amount of talk in the press about the reconstruction of the devastated areas, and the necessity is emphasised of ensuring that all new buildings should be, so far as is possible, earthquake proof. In the meantime, however, it appears that all survivors are to be evacuated to a part of the country where the climate is less severe, and that reconstruction will have to wait for warmer weather.

4. Besides the considerable financial and material assistance which is to be afforded by His Majesty's Government and the French Government, money contributions have been received from the British Red Cross, the Canadian Red Cross, the American Red Cross, from Greece, Bulgaria and Iran, the Shah contributing £T. 10,000 from the privy purse. Messages of sympathy from foreign Governments have been numerous, and those received from His Majesty The King and from the Prime Minister have been much appreciated. To Germany, however, fell the honour of supplying a jarring note. No message was received from the Chancellor, and the German Ambassador was merely instructed to communicate the condolences of the German Foreign Minister together with an offer of assistance from the German Red Cross. This "mesquinerie" might have passed unnoticed, or at all events without comment, but for the fact that the German wireless on the 31st December soundly rated Turkey for her association with England and France, and accused her of having foolishly abandoned the wise policy initiated by the late Kemal Atatürk of co-operation with Germany. As might have been expected, this typical exhibition of tactlessness, which was sharply criticised in the press, has done nothing to arrest the growth of anti-German feeling in this country.

I have, &c.
H. M. KNATCHBULL-HUGESSEN.

[R 681/1/44] No. 10.

Sir H. Knatchbull-Hugessen to Viscount Halifax. (*Received January* 13.)

(No. 41.)
(Telegraphic.) *Angora, January* 12, 1940.

MY telegram No. 7 from Istanbul.

Commercial secretary now learns from a reliable but unofficial source that two agreements are being negotiated between Germany and Turkey regarding commercial exchanges.

2. The first provides for import into Turkey of German goods to a value of £T. 7 million. These goods comprise £T. 3·2 million of goods lying in Turkish customs, £T. 2·7 million German goods in Bulgarian ports, and £T. 1·1 million pharmaceutical products. In return, Turkey will sell to Germany £T. 4·1 million Turkish tobacco, £T. 900,000 sultanas, £T. 300,000 figs, £T. 400,000 industrial figs, £T. 800,000 hazel-nuts, £T. 250,000 olive oil, £T. 100,000 sesame seed, £T. 80,000 oil cake and £T. 70,000 cotton.

3. The second agreement covers the importation of spare parts from Germany to a value of £T. 2 million against the export, to a similar value, of following Turkish goods: skins, tanning materials, opium, hemp, olive oil and mohair.

[R 354/7/44] No. 11.

Viscount Halifax to Sir H. Knatchbull-Hugessen (*Angora*).

(No. 42.)
(Telegraphic.) *Foreign Office, January* 13, 1940.

MY telegram No. 28 [of 8th January: Signature of Anglo-Franco-Turkish Agreements].

The question arises of publication of the various instruments.

We do not propose to publish (iv) and (v).

(iii) (*b*) has already had to be made the subject of a Treasury order, to which the text is scheduled. The order will be published on the 15th or 16th January.

We propose to publish also (i), (ii) and (iii) (*a*).

All these agreements, however, refer to the Special Agreement. As regards publishing the Special Agreement, the arrangement which was discussed with the Turkish Secretary-General when he was here, and in which he was understood to concur, was that, with the signature of the protocol cancelling the suspense clause, we should be able to publish the Special Agreement, omitting both the protocol and article 6. But the protocol does not take effect until the £15 million gold is delivered to the Turkish Government, and we do not in any case want to announce beforehand that we are shipping gold to Turkey. For this reason, we propose to publish the Special Agreement (omitting both the protocol and article 6) on entry into force of the protocol, and to publish agreements (i), (ii) and (iii) (*a*) at the same time.

The French Government have agreed to this procedure. Please do your best to get the Turkish Government also to agree. It will be necessary to have a reply by the 15th January, as the Prime Minister will have to make a general reference to the agreements in Parliament on the 16th January, and proposes to say that the texts will be laid before the House shortly.

(Repeated to Paris, Saving, No. 34 (*en clair*, by bag).)

[R 742/7/44] No. 12.

Sir H. Knatchbull-Hugessen to Viscount Halifax.—(*Received January* 15.)

(No. 45.)
(Telegraphic.) R. *Angora, January* 15, 1940.

YOUR telegram No. 42.
Turkish Government agree.

[R 575/7/44] No. 13.

Viscount Halifax to M. Corbin.

Your Excellency, *Foreign Office, January* 19, 1940.

I HAVE the honour to acknowledge the receipt of the aide-mémoire of the 4th January from the French Embassy calling attention to the necessity of reaching a settlement of the question of the proportion in which His Majesty's Government and the French Government are to furnish the £25 million armaments credit and the £15 million gold loan granted to the Turkish Government under the Special Agreement signed at Angora on the 19th October, 1939.

2. In the aide-mémoire it is stated that agreement has been reached between the Chancellor of the Exchequer and the French Minister of Finance that the proportions in which the two Governments are to furnish the credit and loan in question should be as follows:—

	Million £.
Gold loan—	
His Majesty's Government in the United Kingdom...	11
The French Government	4
Armaments credit—	
His Majesty's Government in the United Kingdom...	16
The French Government...	9

3. I have the honour to inform your Excellency that His Majesty's Government agree to the figures indicated above.

4. In the aide-mémoire attention is called to a further point in connexion with the armaments credit, namely, that by reason of the different possibilities of supply in the United Kingdom and France it may happen that the amount of material which Great Britain and France may be able to furnish will not correspond exactly to the figures given above. It goes on to state that, since it is agreed that in the case where the Turkish Government are not able to obtain in one of the two countries the material which it needs it shall have the right to obtain it in the other, it should follow that, if the amounts of material actually

supplied do not correspond respectively to the figures £16 million and £9 million, the amount of material furnished beyond the figure incumbent on it by one of the two countries shall be financed by the other.

5. I have the honour to inform your Excellency that His Majesty's Government are in entire agreement with the arrangement set forth above.

I have, &c.
HALIFAX.

[G 11/3] No. 14.

Viscount Halifax to Sir H. Knatchbull-Hugessen (Angora).

(No. 6. Arfar.)
(Telegraphic.) *Foreign Office, January* 19, 1940.

YOUR telegram No. 41 to the Foreign Office [of 12th January: Turkish trade with Germany].

I am perturbed at news of these negotiations. Please therefore take an early opportunity of reminding Secretary-General of his promise to consider possibility of War Trade Agreement covering, in particular, products mentioned in my telegram No. 16. You should emphasise that we assume that Turkish Government will enter into no engagements to supply these goods to Germany pending discussion of this question, which has been, at his desire, deferred until his return. You should then say that we appreciate that, in the case of certain of these commodities, the Turkish Government will wish to be assured of a market, and that if they will indicate their views on the matter, we shall be glad to consider whether we can place orders for our requirements of any of these goods in Turkey.

2. You should make it quite clear that we are not prepared in respect of these commodities, as we were in the case of chrome, to make large purchases of goods which we may not be able to use. Our view is that even if the Turkish Government have no moral obligation to cease export of goods to Germany which are essential for the latter's war effort, it is to her advantage to do so in view of her alliance with Germany's enemies. But we, on our part, should naturally be glad to do what we can to help the Turkish economy in directions where it might suffer as a result of a War Trade Agreement on the lines proposed.

3. In this connexion, I am somewhat puzzled by figure of 55,000 tons of oils quoted in your telegram No. 7 from Istanbul, since total Turkish exports of olive oil, which is presumably the most important, were only 4,500 tons in 1938 and 3,300 tons in 1937. Please confirm, giving, if possible, separate figures for olive oil and other oils involved.

[R 1224/17/44] No. 15.

Sir H. Knatchbull-Hugessen to Viscount Halifax.—(*Received January* 25.)

(No. 46.)
My Lord, *Angora, January* 20, 1940.

WITH reference to my telegram No. 68 of the 19th January regarding the recent earthquake disaster, I have the honour to inform your Lordship that, on the basis of information now available, it is possible to form a somewhat more accurate estimate of the loss of life and damage than could be done at the time when my despatch No. 8 of the 6th January was written. While, as stated in paragraph 3 of that despatch, it will probably be some time before a complete appreciation of the situation will become possible, it may, I think, be observed that the statement made in the Weekly Political Intelligence Summary No. 14 of the 2nd January, that a population of 2 million had been rendered homeless, is a great exaggeration, and is far from being borne out by the reports already available. Taking the 1935 census as a basis, the population of the vilayets most affected, namely, Samsun, Ordu, Amasya, Tokat, Sivas, Yozgat, Gumuşane, Erzincan and Giresun (Karahisar is no longer a vilayet, but has been absorbed into Giresun), totals 2,333,829, or slightly more than one-eighth of the total

population of the country, which, according to the 1935 census, amounts to 16,158,018. From published reports, however, and from such enquiries as I have been able to make in official quarters, it would appear that the loss of life and damage is in fact far from being on this scale. According to the latest official figures, 38,000 persons have lost their lives. These include 15,000 in the Vilayet of Erzincan and 11,000 in that of Sivas, while the figures for the Vilayets of Tokat, Ordu, Giresun and Amasya amount respectively to 6,300, 2,100, 1,300 and 644. The number of injured is given as something over 12,000, but cannot presumably be regarded as definitive. Such news as has come through regarding conditions in the country districts are for the most part general in character and give few details, but the general impression is that the damage is proportionately less than in the towns. Moreover, since the regions affected are very largely pastoral in character with only a small urban population, it seems likely that a recovery will be effected with comparative rapidity. There has been some loss of stock, 29,000 is the figure I have heard mentioned, and these would probably be for the most part sheep and goats.

2. As regards the effect of the earthquake upon the economic and industrial strength of the country, the Under-Secretary of State of the Ministry of Economy yesterday informed my commercial secretary that in his view this would prove to be slight. For instance, the sugar refinery at Tokat, the only industrial organisation of any size in the area affected, had not been damaged. It was possible that on the Black Sea coast the loss of man-power (caused presumably to some extent by evacuation) might affect the productive capacity of that area, especially in the gathering of the hazelnut crop, but M. Odabasicioglu expressed the opinion that the productive capacity of the country would not suffer a diminution of even 3 per cent.

3. While it must be admitted that more detailed reports (*e.g.*, as to the number of persons permanently or temporarily evacuated to other parts of the country) will be necessary before the picture of conditions in the earthquake area can be filled in in detail, the General Staff have categorically and on more than one occasion denied to my assistant military attaché that the diminution of the country's military potential is other than negligible. Taking the figure of the number of killed at 40,000 and with a mobilisable man-power of one in ten, the total reduction in strength would not be more than 4,000. To this figure must be added, however, some 200 cadets and a certain number of officers, who, as stated in my despatch No. 8 of the 6th January, lost their lives at Erzincan. Damage to military material and equipment is stated to be unimportant, and the General Staff also deny the rumour which has reached me from the pro-consul at Trebizond and from other sources that the 11th Regiment suffered heavy casualties. It appears, moreover, that the military authorities are taking advantage of the disorganisation caused by the earthquake and martial law in the area affected unobtrusively to move a number of troops in the direction of the eastern frontier. The Angora–Erzerum Railway, which, as previously reported, was slightly damaged, is now, according to the General Staff, in full working order. That this is the case would appear to be fully confirmed by the dispersal of evacuees via Angora and Kayseri to other parts of Turkey. Telegraphic communication, however, is not yet normal, and I am informed that there is a shortage of the wire needed to make the necessary repairs.

4. As far as I am able to judge, the relief organisations are working satisfactorily. A co-ordinating commission under the chairmanship of the Under-Secretary of State of the Presidency of the Council has been set up, and is composed of the Under-Secretaries of State of the Ministries of the Interior, Public Health and Public Works and representatives of the Red Crescent, the latter body being entrusted with the administration of relief in the earthquake zone. Arrangements for reconstruction have already been initiated in the form of a special bureau at the Presidency of the Council, which is to draw up an estimate of the damage.

5. The President of the Council in the course of a speech delivered in the National Assembly on the 18th January, after expressing the gratitude of the Turkish nation for the assistance furnished both by foreign States and private individuals abroad, went on to give an account of the efforts made by Turkey herself to make good the losses caused by the earthquake. He said that the total of the subscriptions received from public bodies and private individuals had already amounted to more than £T. 2 million; while assistance in kind had been

on an equally large scale. In expressing his pleasure at this demonstration of national solidarity, he took the opportunity to condemn in severe tones certain "tendentious propaganda" regarding the measure of assistance furnished to the victims of the earthquake and the prevalence of looting and disorder, and he alluded also to certain "ridiculous prophecies" regarding an eventual repetition of the catastrophe. That some such rumours have in fact been circulated is confirmed by a report which I have received from the pro-consul at Trebizond, from which it would appear that in his district the religious feelings of the population have been played upon, that the disaster has been represented as a punishment for the "barbarous repression of the last rebellion of the Kurds, and that the President of the Republic is considered to be a bringer of bad luck." Similar sentiments, however, have been expressed throughout history on the occasion of great national disasters, and too much importance need not presumably be attached to what are in fact the natural reactions of a conservative and religiously-minded peasantry.

6. I had hoped to be able to include with this despatch more detailed statistics regarding the damage, which had been promised to me. These, however, have unfortunately not been forthcoming. I will nevertheless endeavour to forward them with a later despatch.

I have, &c.
H. M. KNATCHBULL-HUGESSEN

[R 1225/1213/44] No. 16.

Sir H. Knatchbull-Hugessen to Viscount Halifax.—(Received January 25.)

(No. 47.)
My Lord, *Angora, January 20, 1940.*

I HAVE the honour to inform your Lordship that the Grand National Assembly adjourned for the winter recess on the 18th January, and will meet again on the 18th March.

2. Its last act was to pass a law giving the Government, in times of emergency, wide powers in the interests of the safety of the nation, to enable it to strengthen the structure of the State from an economic and defence point of view. The law declares that a state of emergency will exist:—

(*a*) In case of partial or general mobilisation.
(*b*) If the entry into war of Turkey becomes imminent.
(*c*) In the case of foreign Powers being engaged in a war which affects Turkey.

3. A study of the provisions of the Bill which has now become law shows that the Government may take control of all industrial and mining establishments; fix wages, hours of work; determine supplies and output, &c. It may restrict or prohibit imports; limit consumption; oblige commercial houses to store stocks of necessities; control exports; buy up crops; fix prices; oblige importers to clear goods from customs-houses, &c.

4. The Government may also requisition or purchase all private means of transport; may requisition for agricultural work, farm labour and implements; determine the crops to be sown; requisition land for agricultural purposes; supply seed and tools, and oblige owner to cultivate. Financial clauses in the law give the Government power, among other things, to spend up to £T. 25 million a year in execution of the law. Penalties are provided for infringement of the provisions of the law.

5. A translation of the law, which enters into force at once, will be forwarded to your Lordship as soon as the text is available.

I have, &c.
H. KNATCHBULL-HUGESSEN.

[R 1601/263/44] No. 17.

Consul Davis to Viscount Halifax.—(Received February 3.)

(No. 5.)

My Lord, *Aleppo, January 12, 1940.*

I HAVE the honour to report that considerable numbers of Christian residents in the Hatay (the former Sanjak of Alexandretta) have recently been emigrating from that territory to Aleppo, Beirut and Lattakia in anticipation of the end of the six months' grace allowed to optants for Syrian or Lebanese nationality under article 3 of the Franco-Turkish Agreement signed at Angora on the 23rd June last. These emigrants are not Armenians, practically all of whom had left the Hatay before its effective annexation by Turkey on the 23rd July last, but Greek Orthodox, Catholic and other Christian minorities who have decided, after nearly six months' experience of the Turkish régime, that they definitely do not want to become Turkish subjects. They have no specific complaint against the Turkish authorities, who have, on the whole, maintained excellent order and security in the Hatay since its annexation, albeit in Antioch itself some scandal has been caused by reports that Turkish conscripts have violated Christian graves and robbed the dead of their burial clothes and gold teeth; but Christian schools and institutions have found their activities hampered and cut down in various ways, and the manifold regulations and restrictions of the Turkish régime have been found irksome after the personal liberty and wide business opportunity of the French mandatory period. Business is in fact practically non-existent now, public and private revenues have dwindled, and even the salaries of the Turkish officials can no longer be paid from local resources. In some cases they are months in arrears, and appeals to Angora for funds are met with the reply that the Hatay is expected to remit funds to the capital, not *vice versa*. Turkish calculations of the desirability of the Hatay were in fact based upon statistics of the palmy days when it had a free market in Northern Syria for all its produce, and the port of Alexandretta was the entrepôt for all the trade of Aleppo and the Jezireh. Now it is an absolute dead end. In a few days there will scarcely be a Christian left in the whole of the Hatay, with the result that the available supply of skilled craftsmen will have vanished completely. Already both power-plants of the Antioch electric lighting station have been put out of action for days together by the Turkish "engineers" in charge of them. Many Alawites and Arabs, and even a number of Turks, would also like to leave the Hatay before the 23rd January next, but unfortunately for them the Turkish authorities will not give them their papers.

2. To some extent the population of the Hatay may be made up with refugees from the recent earthquakes in Anatolia. Some of these refugees have already arrived at Alexandretta, Kirik Khan and Antioch, and have been accommodated in houses and other buildings left vacant by the Christian exodus. The refugees are, however, mostly women and children, completely destitute and without resources, who are likely to be rather a liability than an asset to the Hatay for years to come.

3. A copy of this despatch has been sent to His Majesty's Ambassadors at Paris and Angora, His Majesty's Consul-General at Beirut, His Majesty's Consul at Damascus and the Combined Middle East Intelligence Centre.

I have, &c.

A. W. DAVIS.

[R 1867/18/44] No. 18.

Sir H. Knatchbull-Hugessen to Viscount Halifax.—(Received February 9.)

(No. 78 E.)

My Lord, *Angora, February 3, 1940.*

WITH reference to my despatch No. 354 E. of the 28th June, 1939, regarding Turkish foreign trade during the first quarter of 1939, I have the honour to transmit to your Lordship, herewith, a report covering the second quarter of 1939.

2. Tables 1 and 2 cover imports and exports by principal countries, whilst tables 3 and 4 show the value of the principal imports and exports by customs categories.

3. The total foreign trade of Turkey during the quarter under review, which amounted to £T. 65,091,683, was only £T. 246,942 more than the total of the corresponding period in 1938, but a much smaller adverse balance of £T. 10,403,111 resulted, as compared with the adverse balance of £T. 19,465,097 in the second quarter of 1938. As will be seen below, this was due in the main to the relatively higher value of Turkish export, viz. :—

Second Quarter, April-June.

	Total Imports.		*Total Exports.*	
	Tons Wt.	*Value £T.*	*Tons Wt.*	*Value £T.*
1939	179,199	37,747,397	278,450	27,344,286
1938	200,373	42,154,919	268,729	22,689,822

Adverse balance 1939: £T. 10,403,111.
Adverse balance 1938: £T. 19,465,097.

4. In the quarter under review, as compared with the first quarter of 1939, the United Kingdom's share of the import trade showed a slight increase from £T. 1,601,549 (5·24 per cent.) to £T. 2,395,455 (6·46 per cent.), her position as fourth chief supplying country remaining unchanged. Germany improved her usual predominant share from £T. 15,464,443 (50·61 per cent.) to £T. 20,946,837 (55·3 per cent.). The United States in the second place also increased their share from £T. 2,152,377 (7·05 per cent.) to £T. 3,355,307 (8·71 per cent.) followed closely by Italy with corresponding figures of 7·61 per cent. and 8·18 per cent. respectively. Although the U.S.S.R.'s share by value diminished considerably, from £T. 1,561,419 (5·10 per cent.) to £T. 988,519 (2·52 per cent.), her relative position as fifth chief supplier was unchanged. Poland (2·23 per cent.) and France (1·71 per cent.) slightly improved their positions, but Sweden dropped back to 0·98 per cent. from 2·35 per cent.

5. With regard to the export trade the United Kingdom, with £T. 954,890 (3·36 per cent.), registered a slight increase over the £T. 839,123 (1·52 per cent.) of the previous quarter. Germany was again the largest buyer, but took less, i.e., £T. 11,860,968 (43·75 per cent.) as compared with £T. 16,444,003 (54·53 per cent.) in the first quarter of 1939. On the other hand Italy, as second chief buyer, increased her purchases from £T. 3,041,987 (12·08 per cent.) to £T. 3,921,844 (14·24 per cent.). The third chief customer, Czecho-Slovakia, with £T. 1,413,732 (5·13 per cent.), improved considerably over the £T. 579,205 (1·92 per cent.) of the previous quarter. The United States, in the fifth place, took only £T. 1,034,165 (3·7 per cent.) as compared with £T. 1,979,153 (6·56 per cent.) in the first quarter of 1939. France with 5·03 per cent., Poland with 3·47 per cent., and the U.S.S.R. with 2·93 per cent. were next in order of importance as customers. Turkish exports maintained their regular rhythm except as regards fruits, shipments of which fell from £T. 6,583,050 to £T. 2,001,041, seasonal diminution as compared with the preceding quarter.

6. The most important import group was machines (general) with a total of £T. 7,592,501 as compared with £T. 4,421,737 in the first quarter of 1939 and £T. 4,126,787 in the second quarter of 1938. This group was closely followed by the iron and steel (and products thereof) group, with an import value of £T. 7,107,270 as compared with £T. 4,525,638 in the preceding quarter and £T. 6,209,273 in the second quarter of 1938.

7. Imports of cotton yarns and tissues, valued at £T. 3,982,711, showed a slight decrease from £T. 4,283,146 (first quarter of 1939), but woollen yarns and tissues showed a slight increase from £T. 1,110,142 to £T. 1,280,784. Transport vehicles and combustibles with respective values of £T. 1,637,925 and £T. 1,486,797 registered slight increases over the preceding quarter.

8. A copy of this despatch is being sent to the Department of Overseas Trade and to the Ministry of Economic Warfare.

I have, &c.

H. M. KNATCHBULL-HUGESSEN.

Table 1.—*Exports from Turkey by Principal Countries.*

(Value and percentage of total.)

	April–June 1939.		*April–June 1938.*	
	Value in £T.	*Per cent.*	*Value in £T.*	*Per cent.*
Germany	11,860,968	43·75	6,186,017	26·75
Italy	3,921,844	14·24	4,094,363	18·78
Czecho-Slovakia ...	1,413,732	5·13	2,104,793	8·55
United Kingdom ...	954,890	3·36	1,014,456	4·22
United States ..	1,034,165	3·7	643,204	2·73
Poland	961,814	3·47	358,702	1·61
France	1,369,107	5·03	1,266,736	5·62
U.S.S.R.	673,518	2·93	450,818	2·18
Greece	1,105,670	1·84	1,056,154	4·7
Roumania	392,529	1·54	628,721	2·7
Switzerland ...	168,742	0·61	781,251	3·93

Table 2.—*Imports into Turkey by Principal Countries.*

(Value and percentage of total.)

	April–June 1939.		*April–June 1938.*	
	Value in £T.	*Per cent.*	*Value in £T.*	*Per cent.*
Germany	20,946,837	55·3	19,450,207	45·51
United States .	3,355,307	8·71	5,080,950	11·99
Italy	3,095,246	8·18	1,333,570	3·33
United Kingdom ...	2,395,455	6·46	5,705,954	14·2
U.S.S.R.	988,519	2·52	822,219	1·96
Poland	806,773	2·23	883,543	2·21
Czecho-Slovakia ...	597,711	1·73	2,268,843	5·26
France	654,060	1·71	539,771	1·27
Sweden	341,848	0·98	791,662	1·83

Table 3.—*Principal Imports by Customs Group Categories.*

Commodity.	Second quarter. April–June 1939. Value in £T.	Second quarter. April–June 1938. Value in £T.
Hides	956,889	126,700
Woollen yarns and tissues	1,280,784	1,941,520
Sugar, sweets	577,845	1,968,479
Coffee, cocoa, tea	639,010	663,659
Timber	433,678	...
Paper and cardboard	861,048	621,197
Cotton yarns	1,122,493	1,452,082
Cotton, tissues and garments	3,982,711	3,546,390
Rubber and rubber goods	638,512	274,060
Oilcloth and linos	279,123	...
Linen, hemp and other yarns and manufactures thereof	577,487	...
Porcelain	268,667	111,852
Glass and glassware	387,297	150,041
Iron and steel and products thereof ...	7,107,270	6,209,273
Copper and copper alloys	1,360,999	580,303
Machines (general)	7,592,501	4,126,787
Transport vehicles	1,637,625	3,292,031
Combustibles	1,486,797	125,320
Colours	507,578	246,764
Chemical and medicinal products ...	761,985	374,500
Optical instruments and technical apparatus and parts	961,460	...
Alcaloids	1,167,398	.

Table 4.—*Principal Exports from Turkey by Customs Categories.*

Commodity.	Second quarter. April–June 1939. Value in £T.	Second quarter. April–June 1938. Value in £T.
Cereals	3,030,741	4,665,637
Fruits	2,001,041	3,434,033
Tobacco	5,534,659	4,288,484
Cotton (raw)	1,691,000	1,368,412
Chrome	1,795,800	1,650,852
Skins and hides	1,031,377	793,092
Wool, mohair and goathair in the grease	3,380,880	728,269
Fuels, &c. (*i.e.*, coal and coke mineral oils)	452,883	670,500
Olive oil	540,262	560,666
Vegetable oils (industrial)	176,648	84,182

[R 1869/7/44] No. 19.

Exchange of Notes between the Turkish Prime Minister (Acting Minister for Foreign Affairs) and His Majesty's Ambassador at Angora.—(Received in Foreign Office, February 9.)

(1)

Dr. R. Saydam to Sir H. Knatchbull-Hugessen.

M. l'Ambassadeur, *Ankara, le 3 février 1940.*

ME référant à l'article unique du Protocole signé à la date du 8 janvier 1940 entre le Gouvernement de la République turque, le Gouvernement du Royaume-Uni de Grande-Bretagne et d'Irlande du Nord et le Gouvernement de la République française, j'ai l'honneur de porter à la connaissance de votre Excellence que,

1,785,714,289 onces d'or fin, représentant l'équivalent de 15 millions de livres sterling, ayant été livrées, à la date du 1er février 1940, au Gouvernement de la République, en application de l'article 4 de l'Accord Spécial du 19 octobre 1939 et de l'article 1er de l'Arrangement du 8 janvier conclus entre nos trois Gouvernements,

d'autre part, les sommes de 2 millions de livres sterling et de 264,750,000 francs ayant déjà été mises à la disposition du Gouvernement de la République à partir du 23 janvier 1940 respectivement par les Banques d'Angleterre et de France, conformément aux termes de l'article 5 de l'accord susmentionné et des arrangements y relatifs,

les conditions énoncées à l'article 6 de l'Accord Spécial susmentionné sont considérées par le Gouvernement de la République comme remplies et par conséquent les réserves formulées par cet article deviennent caduques.

Veuillez, &c.

DR. R. SAYDAM.

(2)

Sir H. Knatchbull-Hugessen to Dr. R. Saydam.

M. le Ministre, *Angora, February 3, 1940.*

I HAVE the honour to acknowledge receipt of your Excellency's note of to-day's date, which reads as follows:—

[As in No. (1).]

2. I have not failed to bring your Excellency's note to the knowledge of my Government.

I avail, &c.

H. M. KNATCHBULL-HUGESSEN.

[R 2164/1213/44] No. 20.

Sir H. Knatchbull-Hugessen to Viscount Halifax.—(Received February 16.)

(No. 104 E.)

My Lord, *Angora, February 9, 1940.*

WITH reference to my despatch No. 508 E. of the 6th September, 1939, concerning the modifications made in Decree No. 2/7005 of the 15th July, 1937, by Decree No. 2/11737 of the 19th August, 1939, I have the honour to inform your Lordship that the Turkish Government, by Decree No. 2/12669 of the 15th January, published in the *Official Gazette* of the 25th January, have further modified Decree No. 2/7005 and Decree No. 2/8099 dealing with the general imports régime in Turkey. Translations of these latter formed respectively the second sub-enclosure to Sir Percy Loraine's despatch No. 447 E. of the 23rd July, 1937, and the enclosure to his despatch No. 89 E. of the 15th February, 1938.

2. By this new decree, a translation of which is transmitted herewith, all compensation operations between Turkey and those countries with which purely compensation agreements have been concluded will be effected through the Central Bank of Turkey, and not by the Commission of Compensation Control as formerly. The countries affected are Japan and Bulgaria.

3. The decree further stipulates that all compensation transactions with countries having no commercial or payments agreement with Turkey will be handled by Takas (Limited) on the basis of instructions to be drawn up by the Ministry of Commerce and published in the *Official Gazette*. This organisation was created by Decree No. 2/11541 of the 5th August, 1939; in this connexion, please see my despatch No. 457 E. of the 18th August, 1939. As soon as these instructions are published, all compensatory commercial exchanges between Turkey and those countries falling under article 4 of Decree No. 2/7005 will be free and List 2 attached to that decree will be suppressed.

4. Articles 4, 5 and 6 of Decree No. 2/8099 are also abolished.

5. In theory, this decree would confer considerable benefits on Germany The latter country has at present no trade or payments agreement with Turkey, and Turco-German trade should therefore be regulated by article 4 of Decree No. 2/7005. The suppression of List 2 annexed to that decree (which comprises products few or none of which Germany can export) would enable any goods whatsoever to be imported from Germany against compensatory exports. In fact, however, a private circular issued to the various customs centres in Turkey by the Minister of Customs and Monopolies during November last stated that, as the question of Turco-German commercial relations was under study, Germany was not entitled to be considered as one of the countries falling under article 4 of Decree No. 2/7005. In any event, it appears probable that the present negotiations between the two countries will prove successful. The real object of the new measure seems to me rather to facilitate imports of primary products from such countries as India, the Netherlands East Indies, Egypt, Colonial Africa and Canada.

6. I am sending copies of this despatch to the Minister for Economic Warfare and to the Department of Overseas Trade.

I have, &c.

HUGHE KNATCHBULL-HUGESSEN.

Enclosure in No. 20.

Décret No. 2/12669 du 15 Janvier 1940, publié dans la Gazette officielle *le 25 Janvier 1940.*

LE Conseil des Ministres, se basant sur la proposition, No. 13897, en date du 28 décembre 1939, du Ministère du Commerce et l'avis No. 54254/211 du 5 janvier 1940 du Ministère des Finances, a approuvé la mise en vigueur de la décision ci dessous, élaborée par le Ministère du Commerce et tendant à modifier les articles 2, 3 et 4 du décret No 2/8099 ainsi que le dernier paragraphe de l'article 4 du décret No. 2/7005.

Décision.

Article 1er. Les opérations de compensation qui seront faites avec les pays avec lesquels il a été conclu un accord basé seulement sur le principe de compensation, seront traitées par la Banque centrale de la République de Turquie.

Art. 2. Les opérations de compensation à faire avec les pays avec lesquels il n'a pas été conclu un accord de commerce et de payement, seront effectuées, sur base des instructions à préparer par le Ministère du Commerce, par la Société Takas Limited, fondée par décret No. 2/11541 du 5 août 1939.

Les importations faisant l'objet d'opérations de compensation visées par le présent article qui seront faites par les pays soumis aux dispositions de l'article 4 du décret No. 2/7005, sont libres dans l'ordre des dispositions des lois turques.

En conséquence, la liste No. 2 annexée au décret No. 2/7005 a été supprimée.

Art. 3. Les opérations enregistrées auprès des commissions de contrôle des compensations jusqu'à la date de l'entrée en vigueur de la présente décision seront achevées et liquidées au cours d'une année à partir de la mise en vigueur de la présente décision et sur base des dispositions appliquées à la date à laquelle leurs formalités ont commencé.

Art. 4. La présente décision entre en vigueur à partir de la promulgation par le *Journal officiel* des instructions dont il est question à l'article 2.

Art. 5. Les articles 4, 5, et 6 du décret No. 2/8099 sont abolis.

[N 1925/132/38] No. 21.

Sir H. Knatchbull-Hugessen to Viscount Halifax.—(Received February 16.)

(No. 107.)

My Lord, *Angora, February 10, 1940.*

THE Polish Ambassador, who, as he explained to me, has now little work and plenty of time for thought, gave me on the 6th February certain views on possible developments in the Soviet Union which, though clearly not unique, may be worthy of repetition.

2. M. Sokolnicki recalled that since the advent of the Bolshevik régime the energies of the rulers of Russia had been devoted to industrialisation and mechanisation. Farming had become increasingly a matter of tractors and of petrol, while draught horses had steadily decreased in numbers. Since the beginning of the present war, however, Russian mechanised energy and oil fuel had been diverted from industry and agriculture to meet the increasing demands of the occupation of Poland and the Finnish campaign. These demands seemed likely to continue, and if they proved to be as pressing in the coming spring as they were at present it would be impossible for the Soviet Government to meet the ordinary needs of agriculture. The result would probably be a famine in Russia on a scale greater than ever hitherto experienced.

3. Such a situation would inevitably call for intervention on the part of some other Power, as it could not be left to develop unchecked. If the Allies did not take the matter in hand promptly, Russia in her exhausted condition would fall a prey to Germany.

4. Another and a somewhat different point of view has been expressed to me by my Afghan colleague, some of whose views I have already had the honour to report in my despatch No. 74, Secret, of the 2nd February. Faiz Mohammed Khan, who came to luncheon on the same day as that on which I had had the conversation with M. Sokolnicki reported above, expressed grave fear of an ultimate German domination of Russia, but from a different cause. He had read in some press report that Germany was about to give active assistance to the Soviet Government in their Finnish campaign. From this he deduced a far-reaching plan on the part of the Germans to train, organise and control the man-power and raw material of Russia until they had created a force with which they could reasonably hope to dominate the world.

5. The views of my Polish and Afghan colleagues contrast curiously with those expressed with increasing confidence by Turks. In this country there is a growing feeling that Russia is becoming less and less dangerous, and in some quarters the question is being asked whether a golden opportunity may not shortly present itself for striking a blow at the Soviet Government (and incidentally

relieving the pressure in Finland) by attacking Russia in the Caucasus district, and especially at Batoum and Baku, where the occupation or destruction of the Russian oil-wells would constitute a knock-out blow. These views clearly take no account of possible German reactions to such an attack, and they have not, as far as I am aware, been expressed in official circles, which continue to maintain the prescribed opinions. But there are signs that such questions are being asked outside official circles with increasing frequency.

6. I report the above, as these various opinions may be of interest. They may rest to an undue extent upon logical deduction, and for that reason I would venture to conclude by recording the remark which the Turkish Secretary-General told me he had recently made to a colleague: "Il faut se méfier de la logique; nous sommes dans l'illogique jusqu'au cou."

I have, &c.

H. M. KNATCHBULL-HUGESSEN.

[R 7858/7846/44] No. 22.

Viscount Halifax to Dr. Tevfik Rüştü Aras.

Your Excellency, *Foreign Office, February* 16, 1940.

IN his note of the 30th June, 1938, regarding the claims of the Turkish heirs of the late Sultan Abdul Hamid to certain properties in Palestine, Cyprus and Iraq, his Excellency Bay Fethi Okyar was so good as to bring to my notice certain considerations bearing upon the arguments contained in Mr. Eden's note of the 23rd March, 1937. His Excellency assured me that the Turkish Government were unable to modify the attitude which they had previously adopted in this matter, and once again requested that His Majesty's Government in the United Kingdom should accept the Turkish Government's request for the submission of the case to arbitration.

2. I now have the honour to submit to your Excellency my observations on the points raised in Bay Okyar's note, and I trust that, in the light of these and of those contained in Mr. Eden's note above referred to, you will understand the grounds on which His Majesty's Government, though anxious to do everything in their power to give satisfaction to the Turkish Government, find it necessary, in present circumstances, to maintain their refusal to have recourse to arbitration for the settlement of this case.

3. In paragraph 3 of his note, Bay Fethi Okyar drew my attention to the statement contained in his previous note on the subject, dated the 14th April, 1937, that the "municipal remedies rule ceases to be applicable when it is found out that it is inoperative." If by this is meant that the rule does not apply when there is no municipal remedy available, then His Majesty's Government would be prepared to agree with the statement. The municipal remedies rule would not apply in a case where there was no local tribunal in a position to pronounce upon the merits of any of the grounds upon which the international claim was based, as, for instance, where the international claim was based on a treaty provision but where there was no municipal court which could entertain the claim based upon the treaty owing to the existence of a local law relating to the question which the municipal courts would have to apply, and which would prevent the courts from considering the arguments which the claimants wished to base upon the treaty. The position is so stated in rule 9 of the *Annuaire* of the Institute of International Law of 1932, in the words of the *rapporteur*, Professor Borchard, to which Bay Okyar refers in paragraph 4 of his note. The text of rule 9 is as follows:—

> "Aucune réclamation internationale ne peut être présentée aussi longtemps que le national, qui se prétend lésé, a à sa disposition des recours locaux capables de lui faire obtenir réparation; mais il n'est pas nécessaire d'épuiser ces recours locaux lorsque le point en litige est la validité en droit international d'une loi, ou que le recours aux autorités supérieures serait manifestement sans utilité, ou lorsqu'il y a déni de justice, y inclus le retard injustifiable ou l'obstruction de l'accès aux tribunaux ou organismes administratifs compétents pour lui accorder réparation, ou lorsque les garanties, qui sont généralement considérées comme indispensables à la bonne administration de la justice, font défaut."

4. Bay Okyar then proceeds to discuss the circumstances in which the municipal remedies rule is inoperative, and states that "in fact this happens to be the case when the interpretation of a treaty is involved. This exception to the general rule is always admitted." I regret that I am unable to accept the validity of this statement. There is no authority for any such general exception to the rule, and it will be noted that no such general exception is given in rule 9 of the *Annuaire* of the Institute of International Law referred to above. On the contrary, where a claim is based on a treaty, and the treaty is made by the local law part of the law of the land, so that the tribunals must pronounce upon the merits of the claim based upon the treaty, the municipal remedies rule applies. In such a case the claimants are basing a claim upon provisions which form part of the local law, and the local courts must pronounce on the merits of their claim. The Government against whom the international claim is made is entitled to insist that this remedy should be exhausted, and that it should be in possession of the decision of its own tribunals upon the interpretation of the treaty before it adopts its final decision with regard to the international claim. The Government of the claimant may, indeed, not be bound by the decision of the local tribunals on the interpretation of the treaty if the claim is rejected. It is however, obliged to await the pronouncement of these tribunals and to weigh them carefully before it presents an international claim. Treaties are very frequently made part of the law of the land when they deal directly with the rights of individuals, and it is the general practice of States to fulfil their international obligations in these cases through the medium of the decisions of their tribunals. In the case in point, the provisions of the Treaty of Lausanne upon which this claim is based are part of the law of Palestine, and the Palestine courts are in a position to pronounce upon the merits of the claim based upon the provisions of the treaty. Indeed, the court of first instance has already done so in a sense favourable to the claimants.

5. In support of the proposition that the municipal remedies rule does not apply where the claim is based upon a treaty, Bay Okyar goes on to say that the most recent arbitral decisions may be cited, and that the last is that of M. Unden, on the 29th March, 1933, relating to the interpretation of article 181 of the Treaty of Neuilly. In the view of His Majesty's Government, M. Unden's award gives no support to the Turkish Government's contention. It is, of course, not part of His Majesty's Government's case to maintain that this award of M. Unden, given in an arbitration between two other countries dealing with the complicated state of affairs arising under another treaty, was or was not correct on every point in the decision. It is only desired here to show that this award, as far as it dealt with any question of general principle with regard to the rule relating to the exhaustion of municipal remedies, in no way supports the contention made in Bay Okyar's note. M. Unden was dealing with the claim brought by the Greek Government on behalf of certain Greek nationals against the Bulgarian Government because the latter had annexed as State property under a Bulgarian law certain forests in territory which became part of Bulgaria by the Treaty of Constantinople of 1913, and had failed to respect the rights of these Greek nationals in respect of these forests, rights which were guaranteed by the Treaty of Constantinople and again by the Treaty of Neuilly. It was part of the Greek case that the Bulgarian Government could not set up the provisions of Bulgarian legislation as a defence of this failure to respect the provisions of the treaties. The Bulgarian Government opposed the claim, *inter alia*, on the ground that the Greek nationals in question had not exhausted municipal remedies. The Greek Government contested the Bulgarian objection on two grounds: firstly, that the Bulgarian tribunals could not entertain the claim of the Greek nationals in question because they were bound by the provisions of the Bulgarian municipal legislation with regard to forests, and the Bulgarian legislation clearly rendered it impossible for the tribunals to entertain the claim; and, secondly, because article 181 of the Treaty of Neuilly provided for the exclusion of this rule in cases covered by this article.

6. M. Unden rejected the Bulgarian objection based on the municipal remedies rule on the following grounds:—

(i) He held that the Bulgarian Government might have been able to rely on the contention that municipal remedies should be exhausted if the Bulgarian State forest administration had itself had recourse to the tribunals, and had brought an action against the Greek nationals claiming the forests, or if the Bulgarian Government had shown any

intention of bringing such an action before the courts. In fact, the Bulgarian Government had simply taken over the forests by a municipal order issued under Bulgarian law, ignoring the rights claimed by the Greek nationals. The treaty required Bulgaria to proceed upon the basis that documents of title to property, which had to be respected under the treaty, must be presumed to be valid in the absence of proof to the contrary, accepted by a tribunal. It was, therefore, for the Bulgarian Government itself to have had recourse to the tribunals if it had wished to dispute the documents of the title held by the claimants and to establish its claim that the forests should be made State property. The Bulgarian Government, however, had simply taken over the property and left it to the claimants to establish proof of their ownership. The Bulgarian Government could only rely upon the municipal remedies rule if the Bulgarian tribunal were in a position to deal with the matter on the basis that the treaty laid down. Owing, however, to the action of the Bulgarian Government and to the Bulgarian law, the tribunals could not deal with the matter on that basis.

In the view of His Majesty's Government, M. Unden's opinion on this point is, in any case, irrelevant to the present question at issue, which relates to territory acquired by the Government of Palestine in virtue of article 60 of the Treaty of Lausanne.

(ii) M. Unden gave a second reason why the municipal remedies rule did not apply in this case. The Bulgarian Ministry of Agriculture, in proceeding to the confiscation of the forests, relied on a Bulgarian law of 1904, under which certain types of forests, "yaylaks," were made State property. This law had never been modified to conform with the provisions of the Treaties of Constantinople and Neuilly with regard to the annexed regions. There seems to have been no reason to doubt that the law of 1904 validated the confiscation from the point of view of Bulgarian law, and that consequently Bulgarian tribunals could not entertain the claim based on the treaty, and would merely have to reject it on account of the provisions of the Bulgarian law of 1904.

7. It will be seen, therefore, that M. Unden, in rejecting the contention in this case about the exhaustion of municipal remedies, did not do so in virtue of any general exception to the rule excluding treaty questions from its application. On the contrary, he did so, because, owing to the provisions of Bulgarian law and the action of the Bulgarian authorities, the Bulgarian tribunals were not able to appreciate the merits of the claim based upon the treaty. This award, therefore, so far from being an authority in the sense claimed in Bay Okyar's note, merely supports the statement of the position set out in paragraph 3 above.

8. In paragraph 4 of his note, Bay Okyar referred to the opinion of Professor Borchard regarding the continued nationality of claims to which his Excellency's attention had been drawn in paragraph 7 of Mr. Eden's note of the 23rd March, 1937. In opposition to the view expressed by Professor Borchard, his Excellency invited a reference to the proceedings of the Institute of International Law held at Oslo in 1932; but in so doing his Excellency does not appear to have noticed that paragraph (*b*) of rule 1 of the "Projet de Résolution sur la protection diplomatique des nationaux à l'étranger" is exactly in accordance with the rule which His Majesty's Government maintain to be correct. The relevant passage of rule 1 reads as follows:—

> "La protection diplomatique peut être exercée en vue de présenter une réclamation pour un préjudice subi par une personne, à condition que:
>
> "(*b*) lorsque la demande est présentée, la personne intéressée soit un national de l'Etat requérant et que l'intérêt dans la demande n'ait à aucun moment, entre la date à laquelle le dommage a été subi et la date de la présentation de la demande, appartenu à une personne qui n'était pas un national de l'Etat requérant ou à une personne qui était un national de l'Etat requis."

It also appears to have escaped his Excellency's notice that Professor Borchard was, in fact, the *rapporteur* on the subject in the Institute of International Law, and therefore was presumably responsible for drafting the report of 1932.

9. With regard to paragraph 5 of Bay Okyar's note, I regret that His Majesty's Government are still unable to find any grounds for modifying the opinion expressed in paragraph 8 of their note of the 23rd March, namely, that, until they have received satisfactory proof that the claim put forward by the Turkish Government is now and always has been vested in Turkish nationals, they cannot recognise the right of the Turkish Government to support this claim diplomatically.

10. In paragraph 6 of his note, regarding the alleged liability of His Majesty's Government for properties claimed by the heirs which are now within the frontiers of Iraq, Bay Okyar stated that Turkey is not a signatory of the Treaty of Alliance between the United Kingdom and Iraq of the 30th June, 1930, and therefore cannot be held bound by its stipulations. I venture to suggest that his Excellency did not fully appreciate the meaning of the arguments contained in paragraphs 9 and 10 of Mr. Eden's note. His Majesty's Government are well aware that Turkey is not a signatory of the Treaty of Alliance between His Majesty's Government and Iraq, and is not bound by its provisions; but their argument was that, under the terms of article 60 of the Treaty of Lausanne itself, and under the general rules of international law, the Government of Iraq had succeeded to all liability in respect of this claim so far as properties in Iraq are concerned, and article 8 of the Treaty of Alliance was only quoted in order to show that the liability of Iraq had also been recognised by His Majesty's Government and by the Government of Iraq. The fact that Turkey is not a party to it is not therefore relevant, for Iraq's successorship does not derive from the Treaty of Alliance.

11. With regard to the assertion in paragraph 8 of Bay Okyar's note that the Turkish heirs of Sultan Abdul Hamid have regular title-deeds duly registered in the Sultan's name pertaining to the property in Cyprus, and that the Government of Cyprus are in equity bound to recognise these rights, His Majesty's Government would again draw attention to the comments and observations contained in paragraph 12 of Mr. Eden's note of the 23rd March, 1937. In the same paragraph of his note Bay Okyar stated that in the Cyprus Convention of the 4th June, 1878, Great Britain undertook to pay for the property belonging to the Turkish Civil List the sum of £5,000 per annum, and that since that date the sum has never been paid. The undertaking to which his Excellency intended to refer must, I think, have been the agreement of the 22nd January/3rd February, 1879, commuting the Ottoman Crown property revenues, &c., of Cyprus for a fixed annual payment of £5,000. If that is the case, I would draw your Excellency's attention to the fact that the lands in question were Ottoman Crown and State lands, and not the private property of the Sultan. Payment of the £5,000, as also of the sum of £81,752 per annum stipulated in article 3 of the annex to the convention signed on the 4th June, 1878, has been withheld, as you will be aware, on account of the default of the Ottoman Government on the 1855 Ottoman Loan, the interest on which was guaranteed by His Majesty's Government and the French Government.

12. With regard to the contention put forward in paragraph 9 of Bay Okyar's note that, in case of disagreement between two States regarding the interpretation of a treaty, the best course is to examine the *procès-verbaux* of the discussions which led to the drafting of the treaty, I will confine myself to observing that an examination of the *procès-verbaux* of the Treaty of Lausanne is contained in the opinion written by M. Haladjian, of which a copy was enclosed in Mr. Eden's note of the 23rd March. I would further point out that no attempt has yet been made to refute any of the detailed arguments contained in that opinion. In the same paragraph Bay Okyar also drew my attention to the recent judgment of the Land Court of Jaffa, which his Excellency claimed was contradictory to the opinion held by M. Haladjian. I would point out, however, that the enclosure contained in his Excellency's note was not a copy of the judgment of the court, but of the concluding address made on behalf of the plaintiffs. In any case, as your Excellency is aware, an appeal was subsequently made against the judgment of the Land Court and, subject to a decision by the Privy Council, a retrial of the case has been ordered.

13. In paragraph 10 Bay Okyar referred to letters stated to have been exchanged on the 28th October, 1932, between the Turkish Minister for Foreign Affairs and the French Ambassador in Turkey regarding the claims of the Turkish heirs to property situated in Syria. His Excellency maintained that, in virtue of this exchange of letters, the French Government agreed that the

provisions of the Turco-French Convention of the 27th October, 1932, regarding the properties of Turks in Syria and Syrians in Turkey should apply also to the Turkish heirs of Sultan Abdul Hamid. While making every reservation on the question whether this exchange of letters can be said to represent an agreement, I would observe that the convention of 1932 only applied to certain property actually *belonging* to certain persons. Since, however, it has been finally established by the judgment of the Franco-Turkish Mixed Arbitration Tribunal of the 7th May, 1935, that the property claimed by the Turkish heirs of Sultan Abdul Hamid in Syria and the Lebanon does *not* belong to them, and since the tribunal declared that the claim of the Turkish heirs to this territory was not admissible, it is evident that neither the heirs nor the Turkish Government are in a position to invoke in their favour the provisions of the convention of the 27th October, 1932, which is completely foreign to their present claims.

14. In conclusion, I would add that the attitude of His Majesty's Government with regard to the claims of the heirs, and to the request for arbitration put forward on their behalf by the Turkish Government, may be summarised as follows: A case was recently brought against the Government of Palestine, in the Land Court at Jaffa, by one of the heirs who was not of Turkish nationality, and whose claim was concerned solely with a piece of land in Palestine. A decision of first instance was given in favour of the plaintiff, and the Government of Palestine thereupon appealed to a higher court. As a result, a retrial of the case in the Land Court at Jaffa has been ordered by the Court of Appeal in Palestine, and the plaintiffs have now appealed to the Privy Council against this order. Should the Privy Council give a decision against the Government of Palestine in respect of the retrial, there lies an appeal from the Land Court at Jaffa to the Supreme Court of Palestine, and ultimately to the Privy Council, which is one of the two highest judicial bodies in the United Kingdom, and is composed largely of the same persons who sit in the House of Lords in its judicial capacity. If a decision were given against the Government of Palestine in the Supreme Court of Palestine, His Majesty's Government would certainly appeal to the Privy Council, and if, on the other hand, judgment were given in their favour, His Majesty's Government would continue to contend that municipal remedies had not been exhausted, unless the other side appealed to the Privy Council. His Majesty's Government will be unable to reconsider their attitude, as previously stated, with regard to this matter until they have had the advantage of the opinion upon it of the highest British judicial tribunal, an opinion which they are entitled under international law to have before they define their attitude to an international claim.

I have, &c.
(For the Secretary of State),
PHILIP NICHOLS.

[R 2473/17/44] No. 23.

Sir H. Knatchbull-Hugessen to Viscount Halifax.—(Received February 23.)

(No. 116.)
My Lord, *Angora, February 14, 1940.*

WITH reference to my despatch No. 46 of the 20th January, I have the honour to transmit herewith a copy of a diary kindly communicated to me by General Sir Wyndham Deedes relating to his recent visit to the earthquake area.

2. Sir Wyndham, who is returning shortly to London, will be able to give your Lordship a first hand account of the situation. It seems, therefore, unnecessary to go into further detail, but I would mention that he has expressed to me the very favourable impression which he formed of the efficiency of the organisation of the Turkish Red Crescent, which is in charge of the relief work, and of the promptitude displayed in rendering assistance in spite of great difficulties. Sir Wyndham expresses complete satisfaction that the provisions supplied from British sources are being efficiently distributed. He is, in general, inclined to the view that there are now in the country and on the spot fully adequate supplies of food-stuffs and medical supplies to meet relief requirements, and that any further assistance accorded from British sources, whether official or unofficial, would be best directed to the work of reconstruction.

3. As an expression of the friendly feeling entertained in the United Kingdom for this country and of British sympathy in the recent catastrophe, nothing could have been more graphic than Sir Wyndham's visit. It has been universally acknowledged as a gesture of sympathy as much as, if not more than, as a visit with practical objects, and Sir Wyndham's reception both here and in the stricken areas could hardly have been more friendly. I had at first feared that he might encounter a certain measure of reticence or reluctance to expose failings and deficiencies. There has been no sign of such sentiments, on the contrary, there has been complete frankness and gratitude, and, as Sir Wyndham's diaries and broadcast statements will have shown, in the place of failings and deficiencies there has been a high degree of efficiency and order.

4. Sir Wyndham and Professor Garstang were received by the President of the Republic on the 13th February. His Excellency kept them for some fifty minutes and displayed the greatest friendliness.

I have, &c.
H. M. KNATCHBULL-HUGESSEN.

Enclosure in No. 23.

Diary of Sir Wyndham Deedes.

January 31.

IN the morning visited with Remzi Bey the village of Etimezout, and saw extremely well-run health centre, which looked after sixteen villages and 5,200 people. There was a health card for each child, and a card with health details of every family. Families in need are visited by the nurses, of whom there are two, and one doctor. Also six maternity beds. From this centre information is also given about diseases and instructions in hygiene. Visited house of one of the villagers, all refugees of some years standing from Roumania. Visited elementary school, which also accommodates some 90–100 boys and girls, orphans or those whose parents are unable to maintain them. School very clean and made excellent impression.

Visited central depot of the Red Crescent. It contained, together with an immense amount of stores of all kinds, twenty field hospitals of 100, 200 and 300 beds apiece. All the field hospitals and stores already organised on war basis. Three hospitals and large quantities of supplies had been sent to earthquake districts. Saw our Alexandria stores, large quantities of blankets, jam, tinned meat, peas, sugar, &c. Were told had been of great service (except the ham!). It is to this Angora depot our other supplies will be sent to be distributed hence where needed.

At 12 o'clock called at embassy. Saw Ambassador. Consulted him as to programme and other details. Sent telegram to Anglo-Turkish Relief Committee briefly reporting movements, and stating footwear and overcoats apparently most needed: had diary typed and despatched by bag.

Afternoon left note with Red Crescent president summarising amount of goods despatched or to be despatched at time of my departure from England, and asked him to consider, during my absence on tour, proposal of mixed committee, three Turks and three English under Turkish chairmanship to ensure close co-operation and exchange of information. President said he would forward same to chairman of Central Government Committee (see attachment I).(1) Left cards on manager, Ottoman Bank. Had tea at Remzi Bey's house, met his wife, departing for Afyon Karahissar; also an old colleague in the Civil Inspectorate of twenty-five years ago. After dinner went to hear orchestra at "Halk Evi." Found ambassador and party there, and was promptly moved from my box to that of the Prime Minister next to ambassador.

February 1.

Left Angora 9·20 A.M., being seen off by president and officers of the Red Crescent and the Deputy for Erzinjan. Have been provided with Minister of Transport's coach, large sitting room, very large bed and bath room, room for Remzi with kitchen and pantry. Merton, *Daily Telegraph*, accompanies us,

(1) Not printed.

together with a cook and waiter. We travel "like Pashas." In thanking those who saw us off they replied: "It's the best we can do for one who has come all the way from England." I hope and rather think that that is indeed their point of view. Snowing when we left Angora. A bare and desolate country on either side, recalling twenty-five years' old memories of weeks spent "on trek."

February 2.

Travelled all day yesterday through desolate country, snow getting thicker as we went east, but warm. At Kayseri a railway inspector came to car and gave a few details; 1,500 earthquake refugees maintained in Kayseri and neighbouring villages. Clothes provided by Erzinjan, and food and tents by Red Crescent, Kayseri.

Arrived Sivas 2 A.M. Five or six Red Crescent officials called with tea and other offerings, but I was not told and did not see them. Wired next day expressing thanks and regrets. We return Sivas in two days' time. To-day passing through mountains, following course of Firat River (Euphrates). Thick snow on all sides. Train speed about 10 miles per hour.

Passed Divriki, iron-ore mines, at 12 noon. Saw train laden with material for the erection of barracks for earthquake victims in Erzinjan.

Arrived Erzinjan 9·45 and met by Vali and Red Crescent officials. Earthquake shock just before arrival.

February 3.

Spent morning visiting ruined town, Red Crescent hospital and paying official calls. No written description of town suffices to portray condition. One tumble-down mass of ruins and desolation. Hardly any buildings stand. Impression heightened by knowledge thousands of dead bodies all round buried beyond present recovery. Large numbers of miserable cats prowl hungrily. Following are statistics up to date Erzinjan Vilayet; 15,327 dead, of whom 9,189 in Erzinjan itself; wounded vilayet 779, in Erzinjan 126; 1,500 persons remain Erzinjan in barracks, tents, huts, &c.; remainder (from total population of 17,000) distributed to neighbouring vilayets pending reconstruction. Winter lasts till end of April, and then return of agricultural population essential, as Erzinjan is centre of supplies. Great importance to army at Erzerum and on frontier. It is reported mission has gone to London to buy agricultural machinery, and Vali wishes seize opportunity to introduce new and speedier methods of agriculture. Loss of animals and live-stock very heavy, but Prime Minister said could easily be made good from vilayets from the east where excess is.

Red Crescent hospital, although under "war conditions," admirably clean and organised. Beds not full. Hospital tents ranged alongside hospital train, which accommodates doctors, operating theatre, &c. Except few cases typhus no infectious diseases. Good deal pneumonia. Some remarkable cases cited, *e.g.*, woman under ruins eight days getting air through stove pipe; man under ruins nine days fed himself from chance nearby supply of meat, and so on. Remarkable disproportion dead and wounded seems to have been universal. Either death or a few scratches was rule. Behaviour prisoners universal comment. Not only organised themselves for salvage but handed over any money and jewelry found

In afternoon went 15–20 miles distant village under mountain in motor which was windowless and seemed (but proved not to be) on last legs! Deep snow. Walked last mile to village. Population 450; thirty-five dead, one or two wounded. Fifty per cent. houses demolished, remainder damaged.

Vali rode three hours each way to a village where fifteen were killed and three wounded in last night's shock. That Governor of Province should undertake such journey in such weather speaks for itself. Understand there are still number of villages in vilayet which wheeled traffic or even horse cannot reach. In some cases doctors on foot have reached, in others men from village have described condition wounded and taken back medicaments, &c. But as already stated, unlikely many wounded still remain in outlying villages. Broadly can be said touch has been obtained with every village and reachable ones supplied with immediate and possible needs. Basic food nowhere short. Villagers accustomed have large quantities in villages during winter. There is shortage clothes, especially footgear and tents. Villages visited by us, typical others, had

miserable make-shift shelter for houseless families. In evening had return call from G.O.C., Local Troops, and dined with Red Crescent to meet Vali in evening. (For statistics, Erzinjan, see attachment A.)(1)

February 4.

General Orbay and wife sent me message through Vali, to which I replied as follows:—

> "Grateful your Excellency kind telegram. Pleasure and honour to me, both as old Turkish official and friend Turkey, to be able by presence express sympathy English people to Turkish people earthquake disaster. My visit will enable me secure despatch most urgent needs from Anglo-Turkish Relief. Beg to convey respects of retired officer British army to Commander Troops District and wife. Am filled admiration steps taken by Government and Red Crescent."

Telegram sent to Home Committee and ambassador, attached, see Nos. 2 and 3.(1)

Left Erzinjan again, being seen off by Vali and all locabilities, and travelled all day until 2·30 A.M., arrived Sivas.

February 5.

Sivas.—Called on Vali, mayor, G.O.C. Troops, and general secretary People's party. Visited all Red Crescent depots newly established here as distributing centre. Large quantities clothing being sorted. Much of poor quality, but evidence of widespread contributions from poorest. Quite a quantity of our own Alexandria goods. Situation this vilayet: Town Sivas practically untouched. Damage in distant villages in the hills in the four kazas. These were reached early with medical help and seriously wounded brought to hospital here. But again here wounded only 10 per cent. of killed. In each of the kazas, Agranis and Exbiden, field hospital twenty-five beds, in Suşehir ditto 100 beds and Koyulhisar ditto fifty beds and Şerefiye ditto twenty-five beds. In addition, in each of the four kazas an emergency organisation of twenty-six health presonnel, of which one surgeon and one "internist"; this is over and above normal establishment of one doctor and two assistants per kaza, and it is now being doubled.

Difficulty of transport in this weather immense. For example, one village 65 kilom. distant, which on the 4th February took four hours to reach, took a few days ago four days and expenditure 100 gallons petrol, and even then journey completed by horse and cart. Vali took twenty-four hours to do 32 kilom. on horseback.

Vali, a youngish man, who had only arrived three days before disaster, seems most active. Personally visited fifty villages. Red Crescent officials give appearance efficiency. After conference with them sent telegram attached (No. 4).(1)

In afternoon visited local hospital, carpet factory, the building where Kemal Ataturk held his first National Assembly and saw room he slept in, untouched since use. Also visited large railway repair works. Lunched with Red Crescent officials, Vali and mayor and party secretary present, and invited same party to dinner with us on the train. (For statistics, Sivas, see attachment B.)(1)

February 6.

Arrived at Turhal Station (and "Nahie") at 9 A.M. after picking up the Kaimakam of the kaza at the previous station, Zile. At once set off in two cars to Tokat escorted by the president of Tokat Red Crescent, who had come to meet us. Distance one hour by car over a not too bad road. Passed several badly damaged villages on way, one wholly demolished. Arrived Tokat, called on Vali, mayor and G.O.C. Troops. All most welcoming. Lunched at municipality and visited hospital. Total casualties, Tokat Vilayet, attached (marked C).(1) It will be seen that vilayet suffered heavily, but town of Tokat itself not severely. We had full account from officials of steps taken to meet disaster. First-aid given by "Bekcis" (village guards) and "Sagilluk Koruncusu" (first-aid men), all of

(1) Not printed.

whom old soldiers, the latter having had elementary training in first-aid, and were followed by the kaza doctors. The badly wounded were brought to the vilayet hospital and the lightly wounded were treated in the kaza dispensaries. Here again, Red Crescent rendered good service. It will be observed that the places which met with heaviest casualties lay along main earthquake course, Erzinjan, Rafahiye, Suşehir, Koyulhisar, Reşadiye, Niksar, Erbaa, Çarşamba.

At Tokat Vali confirmed most urgent needs those asked for by us yesterday, excepting tents which in his vilayet he said not necessary. They propose to start building "barracks" at once. No lack timber amongst demolished buildings, and carpenters have been collected and despatched.

Returned to Turhal in evening. Saw damaged houses. Nineteen dead here and all help given by Sugar Company, which provided first-aid and hospitalisation. Called on director of sugar company and looked all over factory, workmen's barracks, baths, canteen, &c. Factory director and doctor dined.

February 7.

Vali came to Turhal 8·30 A.M., one hour by road from Tokat, to see us off, but, after consultation, decided to return Tokat and go to Erbaa and round to Ladik, thus visiting two kazas and villages, all of which had suffered. While waiting to get petrol Tokat attended interview between Vali and special commission of specialists sent out to damaged areas by Ministry of Public Works, Angora, to study effect on buildings and what steps should be taken for rebuilding. Specialists urging need careful examination and report: Vali urging haste for rebuilding. Did 120-mile run over, in part what was road in name only, and so doing had bird's-eye view of, and for latter part of journey followed, line of main earthquake disturbance, namely, the course of the Kelkit from Erbaa North-West to Erzinjan South-East, distance 300 miles. Came zigzag course through glorious mountain country and fertile Kelkit Plain, arriving Erbaa at 2·30 A.M. Erbaa Kaza population 75,000, 902 killed; in Erbaa Town population 7,500, killed 300 approximately and 700 houses and 142 shops destroyed. After lunch with Kaimakam we visited ruins and left for Ladik, passing other damaged villages and arriving 7 P.M. Vali Tokat insisted accompanying us to Erbaa (for him a 2½-hour run each way and without any notice), and the Kaimakam and Chief gendarmerie, Erbaa, accompanied us (lending a car) to Ladik. I expostulated this generous hospitality, but they kept repeating that it was but small return compared with my journey from England! Erbaa would not seem to be in need of anything we can send from home. It was from the beginning, and still is, assisted from Samsun (although it belongs to Tokat Vilayet). Its own four doctors gave immediate help, and it has received all other help from Samsun, whence £500 sent and whence Red Crescent opened a house to help existing dispensary in Erbaa to deal with wounded. Clothes in ample quantity also sent from Samsun. We saw in Erbaa the "barracks" constructed by Erbaa on instructions of a technical expert sent by Tokat Vilayet. Erbaa is relatively well-to-do place (tobacco) and seems now to be well able to repair its own damage.

We saw Niksar, the other kaza, where serious damage occurred (see attachment C.)(1) across the valley, but had not time to call.

February 8.

Samsun.—Arrived Samsun 7·30. Called on Vali and mayor (who had come to station midnight despite our wire asking them not to do so), G.O.C. Troops. Visited Red Crescent depot, Halk Evi room, occupied by Ataturk when he first landed Samsun, and our British Consul.

Samsun itself suffered but little damage during earthquake (for full statistics Samsun Vilayet, total population of which is 75,000, see attachment D.),(1) whence evident that Çarşamba Kaza suffered most heavily. Samsun played big rôle in sending help not only to Çarşamba, but also Erbaa and villages in that kaza, which although they belong administratively to Tokat, have economic relations (tobacco) and easier communications to the sea. Private persons, the Government, the municipality and Red Crescent all co-operated in sending help to Erbaa, whose sick were brought to Samsun. Municipality also has taken over building in which those in the town whose houses destroyed or dangerous are established. Derived much same impression here as elsewhere, namely, steps taken

(1) Not printed.

prompt and effective and situation now being rapidly restored. Left Samsun at 10·30 A.M., being seen off at station by mayor and other locabilities and large crowd.

Arrived Amassia 4·15 A.M. Vali and locabilities to station. Brought letter giving details earthquake damage and statistics (see attachment E.).(1) From this it will be seen that 53 villages were destroyed, 366 women, 284 men, total 650 people killed; 54 women and 44 men wounded; 716 buildings wholly and 1,899 buildings of various kinds partly destroyed and rendered useless. 1,366 oxen, 298 donkeys, 460 buffalo, 186 horses and 3,986 goats were killed. The mosque of Sultan Bayazit, 4,569 [*sic*] years old, and a hospital, which ten years ago cost £T. 1 million, were destroyed. I gathered that the local Government is in a fair way to repair the damage done (less loss of life!) and no particular need which we could supply was mentioned.

Thus ended the tour, and we returned Angora Friday night, the 9th February.

February 10.

In morning called on Kizilay to report and express thanks. Had heard that goods and medical stores arrived had not been opened pending my return, and made clear that we wished Red Crescent in every case to proceed at once distribution. In afternoon had succession of visits from press. In evening dined with ambassador and discussed matters connected with mission.

February 11.

Visited General Hospital, Angora, and Çocuk Esirgeme Kurumu ((1)" Child Welfare Centre"). Much impressed by both. Decided with Garstang, after consulting Red Crescent, to make gift direct to above society of £200 (English) for earthquake children in their care, from special fund brought out by Garstang for such purposes.

Turkish friends to dinner.

February 12.

Was told by my companion, Dr. Remzi Bey, that he had learnt in roundabout way that the proposed mixed committee, three Turks, three English, Turkish chairman, which I had made prior to tour, had caused a little perturbation in high circles. "What should we do if, *e.g.*, the French asked for the same?" "What will the Germans say? British control." Therefore sat down, and on spot wrote line to president, Red Crescent, and to Prime Minister (which I later personally presented), saying since tour had formed opinion joint committee superfluous, and a liaison officer, *i.e.*, Garstang, preferable; the more so now that Red Crescent had kindly placed a room at our disposal in that office. So that little misunderstanding early scotched and both Red Crescent and Prime Minister evidently pleased.

Visited Red Crescent, told president I feared lest things not really needed here were still being collected at home. Therefore would like to have from him up to date list of, in his opinion, urgent needs. This he promised. Also made enquiries as to how to spend a certain £10,000 received by embassy.

Ascertained Zionist gift (said to be medical supplies), of which had heard in England not yet arrived nor Indian tents. Am more and more convinced our policy in future should be:—

(1) In general, keep daily touch with Red Crescent for all purposes.
(2) Request fairly frequent detailed list of goods still needed (if any).
(3) Try and obtain as much information as to final distribution and use of goods for our committee at home and interested persons.

To go further will spoil our gift, and, as already stated, am satisfied that in all the circumstances Red Crescent will faithfully discharge their task and we shall get all information we need if tact and discretion used. If scheme of more permanent contribution to village reconstruction adopted, then I would advise at all events employment of Colonel Woods as additional liaison officer. He has touch with embassy and competent authorities here.

(1) Not printed

At 11 o'clock saw Prime Minister at his request. Stayed fifty minutes. Morning paper had published statement I had written in train, drawing comparison Turkey 1913 and 1940. Prime Minister said: "I have seen all that and thank you, but tell me frankly what criticisms have you to make about any part of our administration, to which I devote much personal attention." I said that I really had none to make. Tour was short and relief measures only examined. He then explained with diagram relation between Government and party, and party and provinces, and we discussed "Halk Evi." I here gave him copy of my letter to general secretary, party, containing my London "Halk Evi" proposal.

I then said, in my opinion, an irreligious country came to no good anywhere, what about this in Turkey? He replied at length, but gist was: "I agree, and Government not against religion, but we can't do anything till the last of the old religious teachers (Hocas, &c.) have gone. We will not have their influence in our schools or anywhere else. When they have gone (died out?) then we shall turn our attention to this matter."

I next commented on one thing which I noticed had not changed at all, namely, agricultural measures and implements of villages. He said: "No, we haven't yet entered the villages," and went on to explain plans for co-operative agriculture and despatch to England of mission to buy machinery. Interview very friendly and unintentionally long.

Lunched with ambassador. *Times* correspondent, Istanbul, asked for English of Turkish broadcast on 'phone by 5 o'clock. I had no translation and was busy and had no time to complete. In any case, not particularly appropriate for British public.

[R 2835/2446/44] No. 24.

Sir P. Loraine to Viscount Halifax. (Received March 4.)

(No. 175 E.)

My Lord, *Rome, February* 29, 1940.

I HAVE the honour, with reference to my predecessor's despatch No. 1182 E. of the 20th December, 1938, with which he transmitted the Italian texts of the Italo-Turkish Payments and Commercial Agreements of the 15th October of that year, to inform your Lordship that the Mixed Italo-Turkish Commission set up under those agreements, which has been in session at Rome for some weeks past, has now concluded its labours and a *procès-verbal* was signed by the heads of the two delegations on the 24th instant. Nothing has been published beyond the usual three-line communiqué in the press, but my Turkish colleague has allowed me to read the text of this *procès-verbal* which, he informs me, was the sole document signed on this occasion.

2. The agreements of the 15th October, 1938, remained in vigour, and the work of the commission was limited to modifying the commercial quotas. Under the terms of the commercial agreement, it will be remembered, the quotas were so arranged that Turkish exports to Italy would exceed Italian exports to Turkey by 20 per cent., the margin being available for the purchase of munitions in Italy. The total value of merchandise passing annually through the clearing was estimated at 240 million lire; in point of fact the quotas in Turkey were only rarely filled owing to the high prices of Italian exports, and the margin available for munition purchases has remained below the estimate.

3. In the negotiations now concluded the two delegations have aimed at increasing the volume of the trade exchanges, and the new quotas, lists of which are enclosed herein,(1) represent a total of some 450 million lire. But my Turkish colleague remarks that they must be considered for the most part as paper quotas which will never be filled. He estimates the trade likely to pass under the new quotas at about 300 million lire.

4. The Turks refused to renew for 1940 the quotas in Italy for oats, chrome ore (32,000 tons in 1939) and pit coal (47,000 tons in 1939). Your Lordship is aware of the correspondence that has passed between the two Governments regarding Italian requirements of chrome against sales of sulphur.

(1) Not printed.

5. The arrangement is prolonged whereby the Italian Government sell munitions against payment from the current balance standing to the credit of the Turkish Government in the clearing. My military attaché is endeavouring to ascertain what types of guns and munitions are being considered. I rather got the impression, however, from the Turkish Ambassador that discussions about the sale of arms had lapsed, there being disagreement about the medium of payment. The suggestion has been raised that the increase in the quotas in both directions will, whether intentionally or not, facilitate German trade through Italy. The Turks require that every item of merchandise shipped from Italy to Turkey must be supported by the Certificate of Origin of a Provincial Corporative Council, so that, apart from cases of laxity on the part of these councils, it should not be possible for German goods to be shipped under cover of the quotas. On the other hand, the agreement will certainly afford opportunity for increased German exports to Italy in those lines which Italy also produces; these imports from Germany making possible the release of increased quantities of Italian-produced goods in the same categories. A glance at the list of the Italian quotas in Turkey shows that there is ample ground for such traffic.

6. Copies of this despatch are being sent to His Majesty's representative at Angora and to the Department of Overseas Trade.

I have, &c.
PERCY LORAINE

[R 3126/242/44] No. 25.

Sir H. Knatchbull Hugessen to Viscount Halifax. (Received March 11.)

(No. 155.)

My Lord, *Angora, February* 29, 1940.

WITH reference to my telegrams Nos. 172 and 173 of the 29th February, I have the honour to transmit to your Lordship a copy of the "communication orale" on the subject of the opening of the Straits to Allied warships which I sent to the Turkish Minister for Foreign Affairs on the 13th February, together with a copy of the reply which was received on the 20th February.

2. At first sight the Turkish reply did not strike my French colleague and myself as altogether satisfactory, in view of the safeguards contained in the third and succeeding paragraphs. On consulting together, however, we came to the conclusion that the communication was governed by the concluding words of the first paragraph, "prendre toutes les dispositions nécessaires pour éviter les pertes de temps préjudiciables aux intérêts communs," and by the final words of the last paragraph, "sa sécurité qui exige évidemment toute vigilance pour éviter les pertes de temps préjudiciables." We felt that the remainder of the communication was prompted by legal considerations and designed to safeguard the Turkish Government against any accusation of going, and against any danger of being drawn beyond, the letter of the treaty.

3. I accordingly asked to see the Minister for Foreign Affairs, explaining that, in transmitting the communication to your Lordship, I was anxious to be able to give a verbal assurance from his Excellency that our view was right and that, in point of fact, I could say that the Turkish Government fully realised the essential importance of rapidity of action in the circumstances in contemplation and that they would give the longest possible warning and notice with regard to the passage of the Straits by French and British warships.

4. My French colleague, at his request, was present with me at the ensuing conversation with the Minister for Foreign Affairs. The Turkish Secretary-General was also present. M. Saracoglu and M. Menemencioglu both fully accepted my description of the attitude of the Turkish Government as given in the preceding paragraph and endorsed the view formed by M. Massigli and myself as to the correct interpretation to be placed on their reply.

5. M. Saracoglu spoke of the possibility of a German attack on Roumania. If this were carried out without Russian connivance, Russia would no doubt declare her neutrality. In that case, there would be no question of war between Turkey and the Soviets, and Protocol 2 would not come into play. If the attack were made with Russian connivance or co-operation, the question of a threat to Turkey would immediately arise, and he expressed the view that, in such an

emergency, there would be little call for discrimination as to whether the threat from Russia should be measured by whether the invasion stopped at the Pruth or went further.

6. My French colleague and I were both completely reassured by this conversation and feel that, in actual practice, the Turkish Government will give us all that is required, as stated in your telegram No. 109, as regards avoiding loss of time in giving permission to pass the Straits.

7. I should add that both the Minister for Foreign Affairs and the Secretary-General said that they had had some difficulty in understanding the exact implications of the questions put in paragraph 3 of your telegram No. 109 regarding other circumstances in which they would be prepared to invoke either article 20 or 21 of the Montreux Convention, but they did not appear anxious to pursue this point.

8. I am sending a copy of this despatch to the Commander-in-chief, Mediterranean Station.

I have, &c.
H. M. KNATCHBULL-HUGESSEN.

Enclosure 1 in No. 25.

Communication sent to Turkish Minister for Foreign Affairs by His Majesty's Ambassador on February 13.

(Secrète.)

EN vue des conversations qui vont bientôt avoir lieu entre les Etats Majors turc, anglais et français, il est important de s'entendre clairement en ce qui concerne les arrangements à faire pour assurer que les navires de guerre alliés soient autorisés, sans perte de temps, à entrer ou passer les Détroits aussitôt que se présente le cas où le Royaume-Uni et la Turquie coopéreraient ensemble comme belligérants contre un ennemi commun. Par exemple, l'invasion de la Roumanie par l'Allemagne mettrait en vigueur l'article 3 du Traité d'Assistance mutuelle et il pourrait bien être d'une importance vitale que, dans tel cas, les navires de guerre britanniques puissent entrer dans la mer Noire sans aucun délai. De même, il serait d'une grande importance d'éviter toute perte de temps avant l'octroi de l'autorisation aux navires de guerre alliés de passer les Détroits dans le cas d'une attaque par l'Union soviétique contre la Turquie, en quel cas le Gouvernement britannique et le Gouvernement français seraient tenus à venir à l'assistance de la Turquie sous l'article 1er du traité.

J'ai donc l'instruction de demander au Gouvernement turc si, afin d'éviter tout délai quand le moment arrivera, le Gouvernement britannique et le Gouvernement français puissent savoir dès maintenant que les Détroits seront ouverts à leurs navires de guerre immédiatement au moment d'une attaque allemande contre la Roumanie ou d'une attaque soviétique contre la Turquie, selon le cas.

En plus, étant donné que l'ouverture des Détroits aux navires de guerre alliés serait probablement tout aussi urgente dans toutes autres circonstances dans lesquelles la Turquie pourrait trouver nécessaire ou désirable d'agir en coopération avec les Alliés, le Gouvernement de Sa Majesté dans le Royaume-Uni accueillerait avec reconnaissance toute indication que pourrait donner le Gouvernement turc de toutes autres circonstances dans lesquelles il serait prêt à invoquer soit l'article 20, soit l'article 21 de la Convention de Montreux pour permettre le passage des Détroits par les navires de guerre des Alliés.

Le Gouvernement britannique le trouve autant dans l'intérêt du Gouvernement turc que dans celui du Gouvernement britannique que le Gouvernement turc puisse leur donner aussitôt que possible d'avance le préavis nécessaire si à aucun moment il désirerait l'assistance navale britannique au delà du Bosphore. En effet, la base navale de Sébastopol n'est située qu'à une distance de 300 milles du Bosphore, tandis que les vaisseaux de guerre britanniques qui pourraient être appelés à résister à une attaque soviétique pourraient se trouver à une distance même de 850 milles des Détroits. Il serait inévitable qu'il se produise quelque intervalle après le moment auquel la Turquie pourrait se considérer comme menacée avant que les ordres nécessaires pourraient être transmis aux unités de la flotte méditerranéenne. Par conséquent, afin que l'assistance navale alliée à

la Turquie, dans le cas d'une attaque soviétique au Bosphore, soit au plus haut degré efficace, il serait essentiel que le Service d'Intelligence turc puisse constater une menace bien d'avance et qu'il ne survienne aucun délai avant que le Gouvernement turc se décide à demander l'assistance alliée et à permettre les unités navales alliées de passer les Détroits.

Enclosure 2 in No. 25.

Communication sent to His Majesty's Ambassador by the Turkish Minister for Foreign Affairs on February 26.

(Confidentielle.)

LE Ministre des Affaires étrangères a pris connaissance de la communication orale que son Excellence Sir Hughe Knatchbull-Hugessen a bien voulu lui faire le 13 courant.

Pour toutes les circonstances où les trois Puissances alliées coopéreraient comme belligérantes contre un ennemi commun, l'article 20 de la Convention de Montreux donnerait à la Turquie une pleine liberté d'action pour ouvrir les Détroits aux navires de guerre britanniques et français et le Gouvernement de la République prendra toutes les dispositions nécessaires pour éviter les pertes de temps préjudiciables aux intérêts communs.

L'ouverture des Détroits consécutive à une attaque allemande contre la Roumanie ne découle pas nécessairement des dispositions du Traité d'Assistance mutuelle, attendu que la Turquie aurait besoin d'être édifiée sur le caractère de cette attaque dans son rapport avec le Protocole No. 2. En pareille circonstance également le Gouvernement de la République ne manquerait pas de faire diligence dans l'intérêt de la sécurité individuelle de la Turquie et collective des Alliés.

L'article 20 de la Convention de Montreux ne peut être invoqué autrement que par la prise de position de la Turquie en tant que belligérante. Les circonstances dans lesquelles serait invoqué cet article sont déterminées par le Traité d'Assistance mutuelle et en ce qui concerne les cas d'application du Protocole No. 2 par une décision que la Turquie prendrait en toute liberté suivant les exigences de ses intérêts supérieurs.

Déterminer d'avance et d'une façon plus précise les circonstances dans lesquelles la Turquie prendrait position dans le cadre du Protocole No. 2 irait à l'encontre de l'esprit et de la lettre du Traité d'Assistance mutuelle, et le Gouvernement ne pourrait de sa propre autorité modifier le sens d'un acte international ratifié et sanctionné par la Grande Assemblée nationale comme un tout indivisible.

L'invocation de l'article 21 de la Convention de Montreux serait dans les circonstances actuelles un prélude à l'état de belligérance et, dans les mêmes circonstances que pour l'article 20, la Turquie garderait sa liberté de détermination dans le cadre de sa sécurité, qui exige évidemment toute vigilance pour éviter les pertes de temps préjudiciables.

[R 3127/5/67] No. 26.

Sir H. Knatchbull-Hugessen to Viscount Halifax.—(Received March 11.)

(No. 156.)

My Lord, *Angora, March* 1, 1940.

WITH reference to my telegram No. 178 of the 1st March, I have the honour to inform your Lordship that when I questioned the Turkish Minister for Foreign Affairs, as reported therein, about the apparent tergiversations of the Roumanian Minister for Foreign Affairs in regard to the undertakings given by him at Belgrade, M. Saracoglu appeared definitely disconcerted and even annoyed at M. Gafencu's attitude.

2. Apart from immediate considerations, it is clear that M. Saracoglu regards a satisfactory settlement of the Bulgarian question, whereby Bulgaria would be ranged politically alongside the other Balkan States, as a point of vital importance in his wider political conception.

3. His Excellency enumerated the factors which, taken together, tended to produce a firmer and more confident attitude towards German and Soviet threats, not only among the Balkan States but throughout a wider area, embracing also the Middle East. These factors were, first, the result of the recent Belgrade Conference which had promoted the spirit of co-operation among the Balkan *Entente*; secondly, the improved relations with Bulgaria; thirdly, the increasing strength of Turkey herself and fourthly, the growing French and British reinforcements in Syria, Palestine and Egypt. These factors contributed together to inspire a consciousness of greater power and cohesion in the Near and Middle East, and also a sense of respect on the part of Germany and Russia. His Excellency had already seen signs of this increased confidence among the Balkan States in efforts on their part to arrange among themselves for the exchange of their own products in order to avoid any increase in their exports to Germany. If this state of mind could be fostered it might lead to an immense tightening of the blockade of Germany by closing the door in the south-east of Europe.

4. On the political side his Excellency felt sure that if a threat were ultimately to come either from Russia or Germany the Balkan States, including even Yugoslavia, would turn for support in this direction and to the centre of increased strength whose development he foresaw, and would be correspondingly encouraged to resist German or Russian pressure.

5. But Bulgarian co-operation was an essential factor in building up this widespread confidence, and that could only be reached if a proper understanding between Bulgaria and Roumania could be brought about. That in turn could only be ensured by the consent of the Roumanian Government to keep the door open for some kind of understanding with Bulgaria at an early date without waiting for the ultimate settlement of the Dobruja question for which M. Gafencu had declared himself to be ready at the conclusion of the war. M. Gafencu's present attitude, which indicated a desire to back out of the undertakings given by him at Belgrade, coupled with a certain suspicion on the part of M. Saracoglu that the Roumanian Government might even cherish a hope that promises given now need not necessarily have to be fulfilled when peace came, rendered his Excellency extremely anxious that the wider prospects of Balkan and Near Eastern solidarity, so greatly enhanced by the factors which he had enumerated, should not be vitiated by the failure of Roumania to contribute to the reconciliation of Bulgaria with her neighbours.

6. I should add that, as regards the attitude of the newly-formed Bulgarian Government, M. Saracoglu expressed the highest degree of satisfaction and confidence.

7. I am sending copies of this despatch to His Majesty's Ministers at Belgrade, Bucharest, Sofia and Athens.

I have, &c.
H. M. KNATCHBULL-HUGESSEN.

[R 4236/316/44] No. 27.

Sir H. Knatchbull Hugessen to Viscount Halifax. (*Received April* 5.)

(No. 216.)
My Lord, *Angora, March* 30, 1940.

I HAVE the honour to inform your Lordship that I called on the Minister for Foreign Affairs on the 29th March in order to pick up threads on my return from leave.

2. I enclose a Minute of my conversation with M. Saracoglu, a summary of which has already been telegraphed to your Lordship in my telegram No. 242.

3. I am sending copies of this despatch to His Majesty's representatives at Belgrade, Sofia, Athens, Bucharest and Rome.

I have, &c.
H. M. KNATCHBULL-HUGESSEN.

Enclosure in No. 27.

Minute.

I WENT to the Minister for Foreign Affairs this morning on my return from leave in order to have a general conversation.

2. I asked him, first whether he was satisfied with the recent staff conversations at Aleppo. He said "Yes" and agreed that the progress made was so far quite good. Further questions, however, remained to be worked out, namely, those which had not been included in the original agenda. This brought us to the question of Italy. I asked him what his present impression was of Italy's attitude. He made a gesture indicating uncertainty, but proceeded to tell me that he had recently heard from Belgrade and from Rome that Count Ciano had informed a neutral representative that Italy had no negotiations with Russia. He then read me a telegram from the Turkish Ambassador in Rome, reporting a conversation by a neutral colleague with Count Ciano after the Brenner meeting. Count Ciano had admitted rather reluctantly that the question of the Balkans had cropped up at the interview between Herr Hitler and Signor Mussolini, but he added that it had only been discussed from the point of view of the maintenance of peace. As regards Russia, Count Ciano had said that Italy had no friendship for Russia and he categorically denied that any negotiations were in progress.

3. I asked whether Italy had made any *démarche* in Angora during my absence. His Excellency replied in the negative and said that it was some time since he had seen the Italian Ambassador. His own impression was that Italy did not intend to make any move, and certainly no hostile move, and he interpreted the solution of the dispute between ourselves and Italy about German coal supplies as a sign that Italy certainly did not intend to take the German side.

4. We turned to Russia, and M. Saracoglu said that his latest information from the Turkish Ambassador in Moscow was that Russia intended to lie low and recuperate and to abstain from further adventure. He said that his Ambassador's views coincided with those of the French Chargé d'Affaires in Moscow. He read me a telegram which contained a report that the Afghan representative in Moscow had complained to Molotov about Russo-German activities against Afghanistan. Molotov replied that Russia had no hostile intentions against Afghanistan, or, indeed, against any of her neighbours, and that if the Afghan Government looked more closely into the situation they would find that these activities were carried on by others. M. Saracoglu's own opinion was that Russia would not be capable of carrying on any outside adventure until the late summer and even then he was doubtful whether she would be fit to do so.

5. As regards Germany, he told me that there had been no sign of activity or pressure here from that quarter. He mentioned, as regards trade negotiations, that he had given the full list of Turkish requirements to Herr von Papen. He did not for a moment suppose that the Germans would be able to supply this and if the negotiations dragged on for a considerable time M. Saracoglu proposed to say to the Germans that this state of affairs could not continue and that the negotiations were at an end. He might suggest that they should agree upon a list of goods which could be exchanged without controversy or difficulty. He said that if the Germans could not even then come to terms over a reduced list he would terminate the negotiations altogether.

6. He told me that Herr von Papen had pleaded with the utmost insistence for a delay up to a month, if possible, before the payment of the guarantee money deposited in connexion with some of the orders for goods from Germany. I presume this applied to war material. M. Saracoglu had refused to agree to a month's delay; he had equally refused to agree to a fortnight's delay; but in deference to further appeals he finally agreed to submit the matter to the Prime Minister. He had suggested to the Prime Minister that, as it was just before Easter, there would inevitably be an interval of a week during the Easter holidays and that perhaps one additional week's delay might be allowed.

7. He then went on to tell me that recently the Turkish Ambassador in Berlin had been approached by a "prominent Nazi" with the proposal that, if Turkey would allow a certain amount of chrome to go to Germany (he mentioned, I think, 10,000 or 20,000 tons), Germany would supply Turkey with *all* the goods outstanding. The ambassador had been instructed to reply that he could not act on this unofficial approach; that it was Germany who had broken off the Turco-German commercial treaty; that if any such proposal was to be put

forward it must reach him officially, and he would then pass it on to his Government, who would examine it. When I asked what would happen next, M. Saracoğlu laughed and said that he did not suppose anything could possibly come of it, as Germany would not be able to supply all the goods.

8. Discussing the Balkans, I asked him first what his impression was of the present attitude of Roumania. He did not seem altogether satisfied with it, and when I said the King, at all events, appeared to be sound, M. Saracoğlu replied that the Roumanians were inclined to make too many declarations about their warlike attitude and determination to resist attack. If they were less insistent about this, he would be more inclined to place complete confidence in their attitude. M. Gafencu, he said, appeared to have rather a guilty conscience about his recent attitude and had appealed to him for some statement of continued confidence. M. Saracoğlu had written to say that he understood M. Gafencu's difficulties and that he hoped that a more favourable moment would shortly arrive when matters could be pursued on the lines originally sketched out.

9. As regards Bulgaria, he said the Bulgarian Government were now in a calmer state. Nevertheless, the Bulgarian General Staff did not trust the Turkish General Staff, and he thought the feeling was reciprocated. He was proposing in the next day or two to send instructions to his Minister in Sofia to the effect that Turkish intentions were perfectly innocent and that, if the Bulgarian Government did not feel at ease, they could approach the Turkish Government on the subject. He would also suggest that, if necessary, they might send a representative from their General Staff to have conversations here on the subject. Before doing this, however, he was waiting to clear up the situation about a speech which had been made in the Sobranye lately by M. Tsankoff. (M. Saracoğlu did not seem quite sure whether it actually was M. Tsankoff.) He had been under the impression that the speech as delivered had been altered in the published form, and he was trying to get this cleared up. He said that the speech had been generally hostile not only to Turkey but to others. Finally, however, he said, in any case, in two or three days he would carry out his intentions for giving the instructions foreshadowed above.

10. I ended by asking what his own view was of the general war situation at the moment. He said that, whereas in the first months of the war the initiative had rested with the Germans, it had now passed to the Allies. I asked if he had seen any signs of nervousness among the Balkan States as a result of the end of the Finnish war. He said he had not seen such signs. It was obvious that the situation had reverted to what it had been before the war began, but with the advantage that Russia was now considerably weakened. The Balkan States must realise this. The only places where he had seen signs of nervousness had been in the British and French press.

H. K.-H.

March 29, 1940.

[R 4578/243/44] No. 28.

Sir H. Knatchbull-Hugessen to Viscount Halifax.—(*Received April* 12.)

(No. 224 E.)

Angora, April 1, 1940.

My Lord,

WITH reference to my despatch No. 104 E. of the 9th February regarding the general imports régime in Turkey, I have the honour to transmit to your Lordship herewith a translation of Decree No. 2/13055 of the 11th March, published in the *Turkish Official Gazette* of the 19th March, which is supplementary to Decree No. 2/12669 of the 15th January. This supplementary decree is operative retrospectively from the 7th March last.

2. By article 1 of Decree No. 2/13055, the right to trade on a basis of interchangeable compensation is denied to those countries which do not offer free exchange in payment of Turkish exports.

3. By article 2 the export of Turkish products to any one of the countries in the category affected by article 1 is made subject to special conditions. Permits will only be granted within the limits of value arising out of the sum total of imports from the particular country in question. The Central Bank of Turkey will keep separate accounts for each country from the 7th March last. The countries falling within the scope of this ruling will be named jointly by the Ministries of Finance and Commerce.

4. By article 3 of the decree the import licensing system applicable to those countries coming under article 3 of Decree No. 2/7005 is extended to the countries in the category described in paragraph 2 above.

5. For convenience of reference and with a view to elucidating the implications of this decree, the system of trading on an interchangeable compensation basis which was made applicable to countries coming within the scope of article 4 of Decree No. 2/7005 may be briefly outlined as follows:—

6. Turkish exports (value f.o.b.) shipped to one of these countries prior to corresponding imports (value c.i.f.) reaching Turkey, were always paid for in free exchange. This free exchange, subject to a premium, was used to pay for imports from any other country in the same category. Conversely, imports from any one of these countries effected prior to corresponding Turkish exports having been shipped to any other country in the same category, were paid for in Turkish liras at the Central Bank of Turkey. This Turkish currency was used to buy Turkish products to be exported in turn to any one of the other countries in the same category.

7. As from the 7th March last, in virtue of the new Decree No. 2/13055, Turkish exports to any country coming under article 4 of Decree No. 2/7005, which does not provide free exchange in payment of Turkish products, will only be sanctioned if enough Turkish currency is lying at the Central Bank of Turkey, arising out of the proceeds of the sale of goods imported from the particular country concerned. In other words, any country coming under article 4 of Decree No. 2/7005 which does not grant free exchange in payment of Turkish exports must first of all export goods to Turkey and obtain payment thereof from the proceeds of Turkish exports which must be shipped exclusively to this creditor country.

8. With regard to the new licensing system mentioned in paragraph 3 of the present decree, it should be noted that numerous commodities had at one time been subjected to export prohibitions which have since been lifted by Decree No. 2/12301 of the 6th November, 1939. The export of these goods is now free to those countries coming under articles 1, 2 and 4 of Decree No. 2/7005, whereas they are subjected to a licensing system in respect of countries coming under article 3 of Decree No. 2/7005.

9. The new decree now subjects to this same import licensing régime those countries falling under article 4 of Decree No. 2/7005 which do not pay for Turkish goods in free exchange.

10. It should further be noted that the new decree does not alter the status of these same countries in so far as the facilities granted by the suppression of List 2 of Decree No. 2/7005 are concerned. In other words, within the general scope of Turkish legislation and import prohibitions, they may export to Turkey any kind of merchandise.

11. I am sending a copy of this despatch to the Department of Overseas Trade.

I have, &c.

H. M. KNATCHBULL-HUGESSEN.

Enclosure in No. 28.

Décret No. 2/13055 *du* 11.3.1940.

(Appendice au Décret No. 2/12669 du 15.1.1940 (No. 1220).)

DANS sa réunion du 11.3.1940, le Conseil des Ministres a approuvé la mise en vigueur du décret ci-annexé, élaboré après modification à la suite de la proposition faite par le Ministère du Commerce par sa note du 20.2.1940 et l'avis du Ministère des Finances par sa note du 6.3.1940. Ledit décret entrera en vigueur à la même date que le décret dont le numéro et la date sont indiqués ci-haut.

Décret.

1. Les dispositions concernant l'interchangeabilité de l'article 4 du Décret No. 2/7005 du 5.7.1937, modifié par le Décret No. 2/12669 du 15.1.1940, ne seront pas appliquées à l'égard des pays qui n'accordent pas de devises libres pour nos marchandises.

2. Les exportations à destination des pays envers lesquels la clause d'interchangeabilité n'est pas applicable ne seront autorisées qu'en tenant compte des disponibilités des comptes qui seront tenus par la Banque centrale de la République de Turquie, à partir de l'entrée en vigueur du présent décret, séparément pour les contre-valeurs des importations provenant de chacun de ces pays.

(Les noms des pays à l'égard desquels seront appliquées les dispositions du présent article, seront désignés de commun accord par les Ministères des Finances et du Commerce.)

3. Les pays de cette catégorie seront, du point de vue du régime des licences, soumis aux mêmes dispositions que les pays indiqués à l'article 3 du Décret No. 2/7005.

[R 4337/4156/67] No. 29.

Sir H. Knatchbull-Hugessen to Viscount Halifax.—(*Received April* 8.)

(No. 228.)

My Lord, *Angora, April* 3, 1940.

I HAVE the honour to inform your Lordship that, on receiving your instructions to proceed to London, I suggested to the Minister for Foreign Affairs that the President of the Republic might think it of advantage to have a conversation with me on the general situation in order that I might be fully acquainted with his views when I reached London.

2. General Ismet Inönü received me privately, with the Minister for Foreign Affairs, on the 2nd April

3. I have the honour to enclose a minute of the conversation which took place,

4. I am sending copies of this despatch to His Majesty's representatives at Athens, Belgrade, Bucharest and Sofia.

I have, &c.

H. KNATCHBULL-HUGESSEN.

Enclosure in No. 29.

Minute.

I HAD an informal audience with the President of the Republic on the 2nd April. My object was to ascertain the views of the Turkish Government on outstanding questions before leaving for London. The Minister for Foreign Affairs was present.

2. They at once asked me, almost simultaneously, what the real reason of my visit to London was. I said that between our three selves I would be perfectly frank. We had been summoned to London from the Balkans in order to demonstrate the close and continued interest which the Allies were taking in the Balkans. Since the end of the Finnish war there had been a certain amount of depression in some of the Balkan States, and this had been followed up by great German pressure and diplomatic activity. We intended to show that the field was not being left clear for such proceedings. Moreover, an opportunity of direct exchange of views and information would be of great value and was certain to produce some good result.

3. I said I was most anxious to hear their views in order to be able to inform my Government. I then outlined briefly the political situation as I saw it. Both the President and M. Saracoğlu agreed with my description of the change which had taken place in Turkish relations since the treaty was negotiated last May. We had then been greatly under the influence of relations in Italy, which were deteriorating. Turkey had had in view the possibility of war with Italy and had made it *sine qua non* that she should never be engaged in war with Russia. Now the situation had swung round. Turkey's relations with Italy were better and, on the other hand, with Russia they were not so good. The President at once explained that their improved attitude to Italy had been adopted entirely for the purpose of facilitating general Allied policy. I said I fully understood this, and that my Government, whose attention I had drawn to the fact, greatly appreciated it. The subject of Russia came up later in the conversation.

4. The President then suggested that the most important point to consider in the Balkans was the Bulgarian position. I said I entirely agreed and that there seemed, in fact, two points to consider, the feeble attitude of Roumania and the doubtful attitude of Bulgaria. They both agreed to this, but in the ensuing discussion we were unable to hit upon any concrete suggestion for improving either of these situations. The President said that it was necessary to encourage Roumania by making her stronger. As regards Bulgaria, we went over the old ground without producing any new suggestion. As regards the Balkans generally, they agreed with me that things were not so good as they had been at the time of the Belgrade Conference. M. Saracoğlu said that he had now sent to Sofia the instructions which he had foreshadowed two days ago to say consoling words about the preparations in Thrace and to suggest that the Bulgarian Government should communicate direct with him, or even, if they liked, send a representative of the General Staff to make contact here. (Later in the evening I saw the Prime Minister, who said that he had done everything possible to reassure the Bulgarians and that they were prepared to continue to do so, and that he could not understand why it was that the Bulgarian Government, or at least the Bulgarian Minister here, refused to take his remarks at their face value.)

5. While we were on the subject of Bulgaria, I raised the question of some communication to the Bulgarian Government with regard to the forthcoming work on roads and other military objects in Thrace. As reported in my telegram No. 25 to Sofia, the President and the Minister for Foreign Affairs entirely agreed to Mr. Rendel speaking at Sofia in the manner suggested. They attached, however, great importance to it being made clear that it was Turkey who had taken the initiative and that we were giving only advice and assistance. I said that it seemed to me that if His Majesty's Government were connected prominently with the scheme it ought to reassure the Bulgarian Government and make them all the more ready to place faith in what was said to them. To my surprise both General Ismet and M. Saracoğlu took the opposite view. My own opinion is that they wanted to make quite sure that the initiative appeared to be in their hands, and that there should be no hint of any patronisation or superiority on the part of ourselves. I have since learnt both from the Prime Minister and the Secretary-General that the Turks intend to offer their own explanations on this matter to the Bulgarians.

6. This led us to the question of the supply of war material to Turkey. General Ismet started this subject and said that the supplies were coming in very well and very satisfactorily, although they were not yet, of course, complete. He must, however, take the opportunity of warning me that, when all these supplies had come, Turkey would probably begin asking for more. He asked me to prepare the way for this in London.

7. While on this subject, I took the opportunity of speaking very plainly about the action of the Turkish military authorities in terminating the services of Major Larden, the expert instructor in anti-aircraft gunnery. I pointed out that we ourselves had had great experience lately in expanding this particular service, and that no one who was not actually engaged in the war and in the use of these weapons could possibly have the necessary training. We had provided the Turks with the most up-to-date and complicated weapons, even giving them priority over our own forces in Egypt. I did not think it was either in their interest or in ours that the expert training necessary in the use of these weapons should be cut short in this way. We had made great progress in the necessary organisation ourselves in the last year and had learnt much by the experience of our own mistakes, and we wanted particularly to put this experience at the service of the Turks. Both the President and the Minister for Foreign Affairs were seriously concerned at this situation and seemed annoyed at what had happened. They questioned me closely about it, and I think they will take the necessary action to improve matters.

8. We then turned to Russia, and I asked whether the President could describe his attitude to the Soviets. He said: "We don't want to go to war with the Soviets if it can be avoided." He then went on to point out that at present the military plans in regard to the Caucasus were in a very embryo stage. If Turkey were engaged in war with the Soviets now she would be practically alone, as there was no arrangement for Allied help. He referred to the Aleppo conversations, saying that we had only been prepared to discuss one

hypothesis. He fully understood this and realised that we had in the end been prepared to discuss all hypotheses. But real progress had only been made in regard to plans for Thrace. I said that I thought a certain amount of progress had been made in regard to the Caucasus, but, of course, further conversations would take place.

9. The President then went on to indicate that in his opinion Russia was now standing off from the close contact with Germany which had been maintained earlier. He thought, therefore, that Turkey might be of service in drawing Russia further away from Germany and bringing her more into line with the Allies. I said that this seemed to me to be like a return to the policy followed at the time of M. Saracoğlu's visit to Moscow. They agreed.

10. I then went on, making it clear that I was expressing only a purely personal opinion, to say that, in my view, Russia did not really wish to see the maintenance of a strong Germany. It might, therefore, not be altogether wise on our part to do anything which would further weaken Russia without weakening Germany too. I thought, therefore, that, if at any time it became necessary to take any action against Russia, this would only be done as a measure of indirect attack on Germany itself. It was, of course, difficult to say how such a policy could be carried out, but it seemed to me the main point of the problem. They understood this. (I mentioned it purposely, as I thought it would be useful to leave some opening for carrying further a conversation on this basis after my return from London, if it was found desirable. I think that now this opening has been created there will be no difficulty about breaking the ice later on if necessary. Nevertheless, I still do not think that it will be easy to get the Turks to undertake anything beyond defensive action against Russia, at all events, until they consider themselves fully equipped and prepared.) Ismet Paşa returned to what he had previously said about Turkey being at present inadequately prepared and still without organised plans for our assistance in the Caucasus. I remarked that it was exceedingly important to make Turkey strong and to have proper plans for meeting such emergencies. Ismet returned to his remarks about further war material, as to which I avoided committing myself, though I replied that I would bring the matter to the notice of His Majesty's Government. While Ismet Paşa was talking in this sense I was wondering whether it would be possible to make any gentle allusion to the question of the Black Sea. It so happened that he went on to say: "We must be strong everywhere, in Thrace, in the Caucasus and in the Black Sea." I therefore observed that it was a great pity that it was not possible for Turkey to place a strong Turkish fleet in the Black Sea. The President made M. Saracoğlu translate this remark into Turkish, and immediately replied: "We must make ourselves strong on land and in the air." I think this shows they are still far from any naval measures which would not be strictly in accordance with the Montreux Convention.

11. While on the subject of Russia, M. Saracoğlu then told me that he had heard from his ambassador in Moscow that M. Haydar had recently had a very friendly conversation with Molotov, in the course of which rumours of Russian preparations in the Caucasus had been discussed, and M. Molotov had invited M. Haydar to visit the Caucasus himself when the weather was better.

12. We returned to the more general situation, and I remarked that it seemed to me that psychologically Germany was already beaten. The only respect in which this might not be completely true was in regard to the support given to Hitler by her own public opinion. Politically, also, I thought Germany was more than half-beaten. M. Molotov's speech and the recent developments in Russo-German relations, Mr. Roosevelt's recent statement and the Pope's Easter address all showed that public opinion in the world was moving in the right direction. The President expressed complete agreement, and indeed interrupted me, before I had time to mention the political side of this question, to say, on his own initiative, that he regarded Germany as politically beaten.

13. Before I went away the President charged me with the most cordial messages to His Majesty's Government, best wishes for the success of my mission and every assurance of solidarity with the Allies.

H. K.-H.

April 3, 1940.

[R 3612/1/44] No. 30.

Sir H. Knatchbull-Hugessen to Viscount Halifax.—(*Received May* 31.)

(No. 452.)
(Telegraphic.) *Angora, May* 30, 1940.

MINISTER for Foreign Affairs sent for my French colleague and myself this morning to inform us of present position regarding commercial negotiations with Germany. This is as follows:—

2. Turks had originally put in request for supply from Germany of goods to the total value of £T. 30 million in round figures. Nature [? of these] goods has already been stated in previous correspondence; they include forty-three locomotives, railway trucks, rails, metal bridges, wireless apparatus, chemicals, &c. As regards war material, Germans have only offered to supply one-tenth of Turkish requirements. Of total figure of £T. 30 million worth, Germans had undertaken to supply only £T. 15 million, they had refused £T. 12 million, and remainder was in suspense. In return, Germans had asked for a large number of Turkish commodities.

3. Minister for Foreign Affairs informed us that he had definitely refused to supply Germany [? omitted: with] chrome, cereals, walnut, wood and wool. As regards olive oil, mohair, valonea and cotton, he proposed allowance of certain quantities of these to go. The Germans were asking for £T. 3 million worth of olive oil. Stock in the country was from £T. ½ to £T. 2 million, and certain other orders were on hand or coming forward. Minister for Foreign Affairs did not mention exact quantity which he proposed to allow to go to Germany, but said that he would give Germans a maximum figure up to which they could buy if they could get it. As regards mohair, it will be possible to allow total German requirements, namely, [group undecypherable] million pounds Turkish. As regards olive oil, mohair, valonea, and cotton, he proposed to allow a certain quantity. Cotton would probably prove a great difficulty, as there was very little disposable in the country. His Excellency promised to give us more definite particulars later.

4. Minister for Foreign Affairs further explained that he intended to arrange separate classes of goods which Germany will supply, and only to allow essential commodities to go to Germany against actual delivery of more important classes of goods promised by Germany.

5. Minister for Foreign Affairs intended definitely to refuse to allow Germany to use her blocked clearing credits.

6. Minister for Foreign Affairs is seeing German Ambassador at once and will speak in the above sense. He anticipates that it will still be possible to delay the matter considerably, as a good deal of correspondence on the matter of detail will be required, and, in any case, he points out nothing will be delivered to Germany except after receipt of goods of corresponding importance.

7. We urged upon him importance of allowing minimum only of essential commodities. In the absence of further progress on the point dealt with in my telegram No. 443, it was difficult to do more.

8. I would suggest that if very prompt action could be taken on the lines of pre-emptive buying, especially as regards olive oil, mohair, valonea and cotton, some good might result.

[R 3612/1/44] No. 31.

Sir H. Knatchbull-Hugessen to Viscount Halifax.—(*Received June* 4.)

(No. 476.)
(Telegraphic.) *Angora, June* 3, 1940.

MY telegram No. 452.

Minister for Foreign Affairs has now informed my French colleague and me that he has spoken to the German Ambassador on basis indicated in above telegram. He pointed out, however, as regards olive oil that only limited quantities would be available.

2. German Ambassador pressed insistently for chrome, but was informed that this was out of the question. German Ambassador thereupon stated that the question of chrome might become one involving good relations between Turkey and Germany and asked for an audience with President of the Republic in order to discuss it further. This audience is taking place on 3rd June and I hope to learn result as soon as possible.

[R 6510/316/44] No. 32.

Viscount Halifax to Sir H. Knatchbull-Hugessen (Angora).

(No. 287.)

Sir, *Foreign Office, June* 11, 1940.

WHEN the Turkish Ambassador came to see me this afternoon, I asked his Excellency whether he had yet received any information from his Government as to the action which they proposed to take as a result of Italy's entry into the war. I said that I presumed that they would shortly declare war on Italy; and I emphasised the importance which we should attach to their setting a good example to the other Balkan States.

2. Dr. Aras said that he had not yet heard from Angora, but that there was no doubt that Turkey would at once withdraw her Ambassador from Rome. At the same time, it was, in his Excellency's view, essential that the Turkish Government should proceed very carefully, and he suggested that the best course for them to follow, and one which, if I approved, he would suggest to them, would be first of all to enquire of Bulgaria where she stood. If, as he expected, she said that she would remain neutral, so much the better. But even in that case, Turkey would still approach Yugoslavia and Greece, and possibly Roumania also (though the last-named country was hardly in a position to play any part), and ask them to fulfil their undertaking to go to the support of Turkey against Bulgaria, should Bulgaria not adhere to her neutral professions. Turkey should also, he suggested, consult the Soviet Union, with whom I understood him to say that she had a unilateral agreement to the effect that the Soviet Union would go to the assistance of Turkey if that country were attacked.

3. The reason for the course which he had suggested was that action by Turkey alone would not have much effect, and that it was essential that the Balkans should be brought in with Turkey, so that a mortal blow could be dealt at Italy in the Dodecanese and Albania, the redemption of which territories was a cause which would unite the Balkan countries.

4. When I observed that the suggested action would take some time, and that I should feel a certain anxiety lest the impression should be given in any quarter that there was any doubt at all about the Turkish attitude, Dr. Aras said, with some emphasis, that there could be absolutely no doubt about the attitude of Turkey, and that, in fact, he was afraid that his Government would not be prudent enough. In order that the action which Turkey decided to take should be as useful as possible, it was, in his view, essential that it should be very carefully thought out. He quite agreed as regards the importance of avoiding any shadow of doubt as to Turkey's attitude towards the Allies, but he felt equally convinced of the importance of avoiding any prejudice to the formidable possibilities open to us by any imprudent action.

5. As regards the consultation with the Soviet Union to which he had referred, his Excellency said that it seemed to him that it might be of considerable assistance if Turkey were to be allowed to use what remained of the credits granted to her by this country to purchase armaments in the Soviet Union and the United States. As I knew, it was very difficult for this country to supply Turkey with the war material which she required, but the Soviet Union could supply her with tanks, for example, and purchases of this kind would interest the Soviet Union and tend to make her benevolently neutral.

6. I asked the Ambassador to send me a note on this subject so that I could have his suggestion considered.

I am, &c.
HALIFAX.

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